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TITLE OF THESIS/TITRE DE LA THÈSE BUDGET ALLOCATION AND PROGRAM
APPROVAL IN NON-UNIVERSITY POST-
SECONDARY INSTITUTIONS

UNIVERSITY/UNIVERSITÉ UNIVERSITY OF ALBERTA

DEGREE FOR WHICH THESIS WAS PRESENTED/
GRADE POUR LEQUEL CETTE THÈSE FUT PRÉSENTÉE Ph. D.

YEAR THIS DEGREE CONFERRED/ANNÉE D'OBTENTION DE CE GRADE 1975

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THE UNIVERSITY OF ALBERTA

BUDGET ALLOCATION AND PROGRAM APPROVAL
IN NON-UNIVERSITY POST-SECONDARY INSTITUTIONS

by



ALBERT H. WALKINGTON

A THESIS

SUBMITTED TO THE FACULTY OF GRADUATE STUDIES AND RESEARCH
IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE DEGREE
OF DOCTOR OF PHILOSOPHY

DEPARTMENT OF EDUCATIONAL ADMINISTRATION

EDMONTON, ALBERTA

SPRING, 1975

THE UNIVERSITY OF ALBERTA
FACULTY OF GRADUATE STUDIES AND RESEARCH

The undersigned certify that they have read, and recommend
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ABSTRACT

The purpose of this study was to describe the ways in which the decision-making processes and final outcomes of budget allocation and program approval in institutions with boards differed from those in institutions without boards within the provinces of Alberta and British Columbia, and to assess the influence of boards in these two functions. The conceptual model, based upon the political model of Baldrige (1971) and the typology of Paltridge, Hurst and Morgan (1973), was used to examine the decision-making processes in terms of initiation of action, information-gathering network, political constraints, location of decisions, actions taken by boards, and the final acceptance of the decision. The behavior of boards was assessed in terms of their internal influence on the decision-making processes within the institutions, and of their external influence on the Departments which allocated grants to the institutions and approved new programs for the provincial system.

The methodology included the scrutiny of board minutes, agenda papers, correspondence, and Departmental records and policy statements, supplemented by interviews to clarify issues and to collect data which could not be obtained from the documents. Emphasis was placed upon data from records, because it was considered that these were more reliable sources of information regarding actual actions than were the memories and perceptions of individuals. The sample for the study consisted of two colleges and two provincially administered

institutions in Alberta and two colleges and one provincially administered institution in British Columbia.

As a result of the study it was concluded that the internal processes of decision-making were similar in the community colleges in Alberta, the community colleges in British Columbia, and the provincially administered institutions which did not have boards of governors; that during the fiscal year of 1973-74 the boards had failed to set priorities for resource allocation and program development within the colleges, but had responded to the priorities set by the faculty and the administration; and that the institutions with boards had been no more successful than the institutions without boards in gaining Departmental approval for their budgets or for new programs.

ACKNOWLEDGEMENT

This study would not have been possible without the assistance and support of a large number of people to whom the author wishes to express his deep appreciation.

The friendship, guidance and criticism of my supervisor, Dr. A.G. Konrad, was of great assistance in initiating this study and carrying it through to its conclusion, and has been very greatly appreciated. The other members of my committee, Drs. J.E. Gallagher, D.M. Richards, J.M. Small and T.M. Shay, were also very helpful in their guidance and criticism, which is gratefully acknowledged.

My appreciation is also expressed to Dr. E. Miklos, the chairman of the Department of Educational Administration, and to the professors of that Department, who shared by their teaching in my preparation for this study.

This study could not have been possible without the friendly cooperation of the boards, the presidents and the senior administrators of the institutions investigated, and of the senior officers of the Departments involved. This was most impressive and made my task very much easier.

Without the approval of the Public Service Commission and the support of Mr. J.H. Barton, Director-General of Education in the Education Department of Western Australia, this period of study could not have been undertaken. Their very real contribution has been greatly appreciated over these last two years.

Mrs. G. Fargey, my typist, has worked very hard in the preparation and presentation of this thesis, and her assistance is gratefully acknowledged.

The patience and love of my wife, Stell, have been more than usually tested during these last two years, but her support and interest have sustained me, and her assistance in proof-reading has lightened the burden of preparing this thesis. My family, although still in Australia, have added their moral support to this undertaking.

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CHAPTER I

AN INTRODUCTORY STATEMENT OF THE PROBLEM

I. INTRODUCTION

The governance of post-secondary institutions in Canada has constituted a major issue in higher education. The debate as to whether boards of governors should be created for the institutes of technology and the agricultural and vocational colleges in Alberta has continued, despite the fact that comparatively little research has been undertaken into the functions actually performed by the community college boards of governors in Canada.

Most of the research undertaken in the area of college governance has been directed towards the universities and colleges in the United States of America, and to a lesser extent towards the junior colleges there. Only recently has attention been given to similar research in Canada. Consequently, it was necessary in this study to rely heavily upon the American literature on college governance, and to supplement this where possible with Canadian writings. Although a study of the literature revealed many similarities between non-university post-secondary institutions in Canada and the United States, there were also sufficient differences between the institutions within Canada and between the two countries to warrant further investigations of the relationships existing in Canada (Campbell, 1971 and 1974).

In the United States the junior college or community college was established initially as a response to local demands for higher education, so that state financial support and coordination have been comparatively recent developments. Although community colleges have been established there for many years, they have rapidly expanded in both size and numbers during the past twenty years with increasing state involvement. In Canada, however, the development has been much more recent with at least some of the initiative coming from the provincial governments. In Alberta and British Columbia, the public community colleges have been established for little more than a decade (Campbell, 1971).

In discussing the community colleges in Canada, Campbell (1971:7-8) indicated that the mission of non-university post-secondary institutions had been characterized by:

1. long- and short-term technical programs in the trades, industrial, agricultural and semi-professional field which prepared students for employment, and provided retraining for those who were already employed;
2. university parallel or pre-university courses in the liberal arts or sciences, usually providing first- or second-year credit towards a baccalaureate degree obtained elsewhere;
3. programs in continuing education, designed to meet the recreational, avocational, or occupational concerns of adult part-time students of all ages;
4. a counselling service to assist students to choose careers and to remedy deficiencies; and
5. programs serving groups interested in civic, cultural or recreational improvement of the community.

In Alberta and British Columbia, no single institution encompassed

the full range of activities listed by Campbell, although collectively they provided within each province for all five aspects of this mission statement. None of the institutes or the agricultural and vocational colleges offered university transfer courses, but the community colleges provided a wide variety of vocational courses, which in some cases included some trade apprenticeship programs.

In Alberta and British Columbia there were in 1974 three arrangements for the governance of non-university post-secondary institutions. The community colleges in Alberta were governed by provincially appointed boards of governors; while in British Columbia, the college councils consisted of school trustees representing the participating school boards and others appointed by the government under the provisions of the Public Schools Act. The institutes of technology and the agricultural and vocational colleges in Alberta and, until July, 1974, the British Columbia Institute of Technology, were administered directly by provincial departments.

Campbell (1971) argued that the institutes of technology had continued without boards of governors because, firstly, their budgets were considerably greater than those of the community colleges and presumably therefore required more detailed scrutiny; and secondly, they served a province rather than a region. Campbell asserted that Stewart, who recommended that the colleges should be administered by boards, "felt that the institutes of technology should remain under the Department of Education because they offered programs of a kind that could not be expected to be duplicated in districts outside metropolitan centres" (1971:31). It appeared that Stewart

4

conceived college boards in Alberta as completely local bodies because they were associated at the time of his report with school boards; but he saw no inconsistency in the universities with boards of governors operating on a provincial basis.

The report on post-secondary non-university education in Alberta, prepared under the chairmanship of Bosetti (1972), recommended that each of the institutions within the system of colleges and institutes be governed by an appointed board of governors (1972:31). Worth, in the report of the Commission on Educational Planning, stated,

Legal authority for each college, institute and university should reside in a predominantly lay governing board. The idea that higher education is too important to be left to educators and students alone, and that it requires surveillance by the larger society, is strongly supported by many Albertans (1972:128).

Despite these two recommendations, the institutes of technology and the agricultural and vocational colleges in Alberta have continued to be provincially administered.

In British Columbia, the community colleges were established on a regional basis under the aegis of school boards whose interests have been protected by representation on the college council. This form of governance has continued following the government's decision in 1971 to meld the vocational schools with the colleges, although some change has been made in the appointed membership of the councils. On the other hand, in July, 1974, a board of governors was established for the British Columbia Institute of Technology under the provisions of a new act.

These differences in the patterns of governance in non-university

post-secondary institutions in Alberta and British Columbia have raised questions which have been considered further in succeeding sections of this chapter, and which have formed the basis of the present study.

II. THE GOVERNANCE OF POST-SECONDARY INSTITUTIONS

The literature concerning institutions of higher education in the United States of America has invariably assumed that these institutions would be governed by a board of governors or trustees, even when they were substantially supported by state funds. This assumption was derived from tradition, or a legal philosophy, whose implications did not appear to have been examined in terms of their effects upon the institution as an organization. Henderson, in discussing the role of the governing board, said, "A College or University may be founded only in accordance with the law, the usual instrument of establishment being the corporation" (1971:98). The founding of such a corporate body might have arisen, according to Henderson (1971:99), from an explicit provision of the state's constitution, from a statute establishing the institution, from a charter granted to it under laws pertaining to corporations, or from the powers of a taxing district to appropriate moneys for educational purposes.

Whatever the legal basis for founding a college might be, it was necessary in law for some individual or group of individuals to act on behalf of the college and to have ultimate authority and

responsibility for all decisions regarding that college. As Henderson has indicated, "a corporation is a collection of individuals united by authority of law into one body under a special name and empowered to act in many respects as an individual" (1971:99). A college, like all corporations, had by virtue of its legal form the legal power to serve a corporate purpose or object, to sue or be sued, to purchase, hold or sell property, to have and to use a corporate seal, to make by-laws, and to take whatever actions might be reasonable in order to accomplish the express purposes of the corporation. This meant that legally the board of trustees, having been duly appointed according to law, had full authority to make all decisions regarding the college and had full responsibility for all actions taken in the name of the college irrespective of who actually performed the act.

Concerning this legal authority and responsibility, Henderson (1971) commented that a highly important provision in the by-laws might be the delegation of authority to the administration or the faculty. In delegating authority to act, a board did not thereby delegate its legal responsibility for any actions taken, provided the officer concerned did not exceed the authority delegated to him. Even if the charter or legislation provided for specified officers to perform certain duties, this was interpreted legally as an explicit delegation of the board's authority, because it was the only body having ultimate authority and responsibility under law. In institutions which did not have boards, the ultimate authority lay with the state or province. In Alberta and British Columbia, the ultimate authority for institutions without boards resided in the Lieutenant-Governor in Council.

The legal definitions cited above have become the implicit or explicit basis for most of the literature concerning the functions and roles of trustees. Henderson (1971:110-1), citing the opinions of Burgess and of Hughes, has suggested that the functions of the board were:

1. To fix and declare the objectives and policies;
2. To select and appoint the president;
3. To hold property;
4. To preserve and invest the assets of the college;
5. To authorize the budget; and
6. To act as the court of final appeal in all matters.

Rauh, after listing similar functions for trustees, indicated that their major concern was with the financial and management affairs of their college. He argued that "this universal concern stems from two sources: 1) the financing of the educational enterprise is a constant and pervasive problem for all institutions; 2) nonacademic matters fall within the professional competencies of most trustees" (1969:37). Herron (1969:27) also stressed that the management of finance was one of the most crucial responsibilities of trustees, and argued that boards could not "plunge whole-heartedly into the total spectrum of academic planning and curriculum control. Faculty members [would] not surrender the control of the curriculum, and to seek such control [was] highly inadvisable and misguided" (1969:29). Rauh and Herron have typified the pragmatic approach which has been adopted in much of the discussion of the functions of the board and of the role of trustees.

Bosetti (1972) assigned to the boards of governors the task of determining the operational policies of each institution; of

deciding intra-institutional resource allocations; and of assuming responsibility for the general operations of the institution. This task specifically included budget administration and planning, and maintaining the institutional purpose in response to the needs of society in general and of its community in particular. Worth (1972) argued that the prime function of a board of governors should be the long-range planning for the institution, with specific responsibility for the approval of budgets and of major changes in organization, program or activities.

The writings reviewed above, which have been typical of much of the literature, have shown that a major role, which has been traditionally attributed to boards of governors, has been obtaining and allocating financial resources. Some writers have associated with this function the task of identifying and approving programs to meet the perceived needs of the community which fell within the mission of the institution. Others have assumed that the board would determine the overall policies of the institution and approve long-range plans for its future development.

Two further issues which required examination were the composition of the board of governors (which in the traditional approach had consisted entirely of lay members from outside the institution); and the mode of governance. Kelly and Konrad (1972:8), who have discussed the participation of faculty and students in the process of governance, indicated that few evaluative studies on such participation were available in Canada or the United States.

The Report of the Task Force on the Community College in British Columbia (1974) expressed concern over the present composition of college councils in that province. Although the school trustees already bore heavy responsibilities for the development of local policy for the school system, under the current legislation some were also required to serve on the college councils. The Task Force (1974: 16) pointed out that in most cases school trustees comprised the majority of council members, but were frequently unable to give their full energies to the business of the colleges. The Task Force recognized that so long as the school boards shared in the financing of the colleges, there was a rationale for this arrangement; but the Task Force recommended that the provincial government should accept the full responsibility for financing the community colleges, as it had done with the other sectors of higher education.

Having thus disposed of the rationale for direct school board representation, the Task Force (1974:16-7) cited the Albertan experience to support its recommendation for the establishment of appointed college boards with fifteen members, two-thirds of whom would be appointed by the Lieutenant-Governor in Council from nominations from within the region served by the college, while the others would be two instructors, two students and one support staff member.

Worth claimed that a board provided for representative participation of all groups affected by the board's decisions, while at the same time giving voice to the enlightened sovereignty of the people. He argued, "Without this visible avenue of accountability to

the general public, higher education governance can become a solicitation-of-deception" (1972:128). He added that boards of governors could also be effective buffers against illegitimate pressures from special interest groups, within and without the colleges; but that they also needed to guard against becoming channels for those pressures which would divert and subvert the institution's endeavours. Worth argued that boards of governors should be representative of both the general public and the groups affected by its decisions, namely, the administration, the faculty, the students, and those who received its outputs.

Worth did not examine, however, other modes of governance to determine their shortcomings or advantages. He did not, for example, show why the functions he attributed to governing boards could not be more effectively performed by the Government or the Legislature through a government department; nor did he discuss the problems of governance in the institutes which would justify the establishment of a board of governors for each institution. In an unpublished address to a seminar on "Politics in Higher Education" Worth (1974:10) indicated, however, that the interaction of the board-of-governors operated colleges with each other, and with other members of the advanced education system, had been the focus of much speculative discussion but of only a few studies.

Konrad (1975) distinguished between two modes of operation of college boards which he described as the board of trustees mode and the board of governors mode. In the board of trustees mode, boards acted as trustees on behalf of the public by supervising and

auditing the activities of the college in order to ensure that the college was fulfilling public expectations in terms of programs, and that the college administration was not overspending public moneys or operating inefficiently without regard to the cost. In this mode the initiatives came predominantly from the administration and the faculty, while the board acted as a "watchdog" on behalf of the public.

In the board of governors mode, the board entered directly into the management of the institution by establishing policies, setting priorities and deciding the action to be taken by the administration. Thus, the board became a board of managers which participated fully in directing the activities of the institution towards achieving the goals established by the board for that institution. According to Konrad (1975), conflict of interest, which was the traditional argument for excluding faculty and students from the membership of the board, could occur in the board of trustees mode but not in the board of governors mode.

A number of questions regarding the governance of non-university post-secondary institutions in Alberta and British Columbia have been suggested by this preliminary review of the literature on governance in higher education. What functions were actually performed by boards of governors in the colleges? How were the functions of budget allocation and program approval, which have been attributed to boards, performed in the various types of institutions involved? Were the processes involved different in institutions with boards from those in institutions without boards? How did the outcomes differ? How did

the existence of boards influence these processes and outcomes?
 How did the composition of boards affect the processes and outcomes?
 Which mode of governance typified the behavior of these boards?
 From among the many questions which might have been raised, the
 problem examined in this study was identified on the basis of the
 concepts discussed in Chapters II and III.

III. THE PURPOSE OF THE STUDY

The purpose of this study was to describe and compare the
 decision-making processes and the final outcomes of budget allocation
 and program approval in non-university post-secondary institutions
 in Alberta and British Columbia, and to assess the influence of
 boards in these functions.

This problem has been delineated as the following three
 subproblems:

1. To describe the decision-making processes and the final
 outcomes of budget allocation and program approval in
 selected non-university post-secondary institutions in
 Alberta and British Columbia;
2. To compare budget allocation and program approval under
 the three patterns of governance found in those provinces;
 and
3. To assess the influence of boards in the functions studied.

These subproblems have been outlined in further detail in Chapter
 III in which the methodology of the study has been described.

IV. THE IMPORTANCE OF THE STUDY

This descriptive and comparative study has explored an area of educational administration concerning which very little research has been reported previously. Since the establishment of the Department of Advanced Education in Alberta in 1971, the relationships pertaining at the time of Small's (1972) study have no longer applied. In British Columbia, changes were made to the composition of college councils in 1973; further changes were recommended in the report of the Task Force (1974); and a board of governors was established for the British Columbia Institute of Technology in 1974. This study has thus provided insights regarding newly developed situations in those provinces.

While the main focus of the study was upon the situation in Alberta, the comparison with certain institutions in British Columbia was regarded as a source of additional information and insights concerning the influences and functions of college boards in the two provinces. The developing situation at the British Columbia Institute of Technology has provided additional information regarding the differences between the two main forms of governance.

Campbell (1974:4) pointed to the continuing debate regarding the governance of the institutes of technology and agricultural and vocational colleges in Alberta. In 1974, the faculty of the Northern Alberta Institute of Technology pressed for the establishment of the institute as a corporate body under a board of governors, and similar issues have been discussed at the Olds College according to

information received during the interviews for this study. These movements were based on the view that corporate status would give the institutions greater prestige, would allow the faculties greater freedom of action by allowing them to expand their activities with less hindrance from the Department, and would enable the institutions to receive more favorable treatment from the government in regard to budget allocation and program approval. This study has examined the extent to which this view was supported by empirical evidence.

This study may also have wider applications because a similar issue regarding the governance of technical colleges in Australia could probably arise in a few years. The Australian Committee on Technical and Further Education has already recommended in its report, TAFE in Australia (1974), that further investigations be made into means of bringing the colleges into direct contact with the community. An understanding of the situation in these two Canadian provinces would offer some guidance to administrators in Australia, provided they took account of the cultural and historical differences between the two countries.

V. DELIMITATIONS OF THE STUDY

This study has been confined to an investigation of budget allocation and program approval in selected non-university post-secondary institutions in Alberta and British Columbia. It has focussed upon the decision-making process within the institution and the provincial department, and upon the final outcomes of that process in regard to budget allocation and program approval. Other

areas of decision-making have been excluded from this study, except where they impinged upon the above issues.

In the institutions which have boards of governors the investigation has been directed towards the decisions of the board and not the actions of individual board members. In all cases, the study has been restricted to decisions taken between the beginning of the 1973-74 fiscal year and November, 1974, when the data were collected.

VI. LIMITATIONS OF THE STUDY

As an interpretative investigation, to use the terminology of Foster and Nixon (1975), this study has been essentially a descriptive and comparative analysis of the decision-making behavior within certain institutions in regard to budget allocation and program approval immediately prior to November, 1974. The conclusions drawn were only applicable to the institutions studied, although they might be relevant to similar institutions elsewhere, and might suggest areas for further research. These conclusions had no implications regarding the decision-making behavior or influence of boards beyond the specific areas of decision-making investigated.

The validity and reliability of the conclusions drawn were limited by the validity of the following assumption, which were made in this study:

1. That the minutes of the public meetings of college boards were an accurate and reliable record of the decisions made by the boards;

2. That the agenda documents supporting recommendations to the board from the college administration contained the substance of the arguments and data offered in support of the recommendations;
3. That the views expressed by those interviewed accurately portrayed the position, policy and actions of those they represented;
4. That the influence of a board in the matters investigated was indicated by the extent to which its decisions were accepted by the Department without modification; by the extent to which the college administration considered the board's probable decision in making its recommendations; and by the extent to which the board, whether in board meetings or in committees, scrutinized the recommendations of the college administration and modified those recommendations; and
5. That the influence of the administration in the matters investigated was indicated by the extent to which its decisions were accepted by the Department without modification; and by the extent to which the institution was committed to the Department's decisions.

This study has also been limited by the degree to which institutions afforded access to internal documents and correspondence. One board in particular regarded such matters as confidential to the board and allowed only limited access to documents.

VII. AN OUTLINE OF THE STUDY

A survey of the literature relevant to this study has been given in Chapter II, in which recent research findings have been discussed. Four conceptual models which have been used elsewhere to examine institutional governance have also been outlined.

In Chapter III, the problem has been examined in detail; the conceptual framework for the study, based on elements from the systems hierarchy model and the political model, has been established;

and the methodology adopted for the study has been described.

The decision-making processes and the final outcomes of budget allocation and program approval within the community colleges in Alberta, the community colleges in British Columbia, and the provincially administered institutions respectively have been described in the next three chapters. Although in general discussion, the term "board" has been used to cover both boards of governors in Alberta and college councils in British Columbia, and the term "president" to include principals, within these chapters, the correct titles of officers and institutions have been used.

In Chapter VII, the processes and outcomes in these matters in the different institutions have been compared, and the influence of boards assessed; while in Chapter VIII, the main points of the study have been summarized, and conclusions and recommendations reported.

CHAPTER II

A SURVEY OF THE LITERATURE

I. INTRODUCTION

It was indicated in Chapter I that most of the literature concerning the governance of higher education was concerned with universities and four-year colleges in the United States of America, and to a much lesser extent with the non-university sector. Because the tradition for the governance of the public community college was derived, on the one hand, from the universities and colleges, and from the high schools on the other, it was relevant here to include some consideration of writings not directly connected with community colleges.

Because of the comparative dearth of Canadian research on the governance of community colleges, attention has necessarily been given to American research. It has not been possible to examine any literature regarding the governance of provincially administered institutions. This survey has therefore been concerned with recent research regarding the role of trustees and the functions of governing boards, and with conceptual models which could be used to examine the decision-making process and its final outcomes and the influence of boards of governors on budget allocation and program approval.

II. RESEARCH FINDINGS

Some recent studies have gone beyond the traditional, prescriptive approach described in Chapter I. Hartnett (1969), for example, made a study of the backgrounds, perceived roles, and educational attitudes of college and university trustees in the United States. His approach was to distribute a very substantial questionnaire to some 10,036 trustees nominated by the presidents of 654 institutions covering all forms of higher education, including a twenty percent sample of the public two-year colleges. His findings, which were based on returns from 5,180 trustees representing 536 institutions, have only impinged marginally upon this study, which was only concerned with the characteristics of board members to the extent that these might have influenced board decisions. Because of the small number of board members involved in the present study, data similar to that gained from only four of Hartnett's questionnaire items have been collected during interviews rather than by questionnaire.

An approach similar to that adopted by Paltridge, Hurst and Morgan (1973) in their study of decision-making patterns of boards of trustees in four-year colleges in the United States of America has been utilized in this study. They argued:

If research is to inform those who make recommendations and those who make decisions, it must proceed from the surveys of board composition and their implications of representational imbalance and go beyond trustee perceptions of their roles, professed attitudes and perceived decision making authority, to an investigation of their actual performance and their decision making actions (1973:7).

Paltridge, Hurst and Morgan used a highly detailed decision coding protocol to examine board minutes, by-laws, standing orders, procedural manuals, state legislation related to charters and board authority, and other documents which would assist in the analysis of the board minutes. In addition, they obtained biographical data on individual board members to assist them in interpreting their findings.

They found that of the matters dealt with by boards, sixty percent came before the boards as recommendations, thirty percent as reports, and that less than five percent arose as independent motions from trustees. Nearly thirty percent of these matters were placed on the agenda by committees of the board, and another twenty-nine percent by the president or the administration. Regular board members raised just over seven percent of the agenda items, while those presented by student and faculty members of the board were negligible. Nearly one-third of the agenda items came from other sources outside of the board, such as the faculty or external agencies.

Of the matters handled by the boards, 83.4 percent received affirmative action without amendment, a further 1.4 percent received affirmative action after amendment, and only 0.6 percent received negative action. Boards referred, deferred or tabled 11.5 percent of the items, and on 1.2 percent took no action. Over 30 percent of the matters requiring board action, and 23.5 percent of the items requiring no action, were categorized by Paltridge, Hurst and Morgan as business and finance. While matters concerning physical plant accounted for a further 22.3 percent of action items and 21 percent of non-action items. Educational programs represented only 13.2 percent

of the action items and 10.9 percent of the non-action items. Personnel matters and student affairs were 2.2 and 2.9 percent of the action items respectively, and 10.9 and 4.2 percent of the non-action agenda items respectively.

These findings indicated that the boards of trustees acted largely by giving approval to decisions which had been formulated elsewhere. The study did not indicate, however, the extent to which individual board members participated in the actual decision-making processes through membership on board committees. When the level of decision-making by the boards was analyzed, it was found that the boards were not greatly involved in policy-formulation, and that the agenda consisted mainly of routine items for formal approval.

For their analysis of the level of decision-making undertaken by boards, Paltridge, Hurst and Morgan adopted a framework consisting of three levels, which were defined as follows:

- 1) legislative policy (designated Level I), which deals with the ethical (i.e. 'ought to' or 'should be'), the general as opposed to the specific, and the more important; 2) management policy (designated Level II), which deals with broad, nonethical rules, interpretation of legislative policy, control, direction, boundaries of subordinate authority; and 3) working policy (designated Level III), which deals with the more specific rules at the administrative level and with execution or implementation (1973:35).

Using this framework, they found that of 3,933 board matters analyzed, 296 (7.5 percent) were at Level I; 1,445 (36.7 percent) at Level II; and 1,645 (41.9 percent) at Level III; while 547 (13.9 percent) could not be coded.

When these items were dissected into decision areas, it was found that 21.6 percent of the business and finance decisions were

at Level I, 23.1 percent at Level II, and 27.6 percent at Level III. For educational issues, the situation was reversed with 32.7 percent of the decisions at Level I, 28.1 percent at Level II, and 6.9 percent at Level III, although it was noted that the volume of decision-making regarding educational matters was less than half that for business and finance. For physical plant and personnel, the respective proportions were 13.5 and 8.1 percent at Level I; 28.3 and 9.2 percent at Level II; and 17.5 and 43.1 percent at Level III.

These research findings confirmed the view held by writers such as Herron (1969) and Rauh (1969) that the major concern of trustees of institutions of higher education in the United States of America had been the management of finance and physical plant rather than educational policy. It appeared from this research that the examination of documents was a more fruitful approach than the use of questionnaires and interviews alone to obtain the trustees' perceptions of their roles and their functions in the decision-making process of college governance, because it provided hard data against which the validity of those perceptions could be evaluated. On the other hand, it was recognized that document search alone would not provide a complete picture of the processes involved and that the document approach needed to be supplemented by data from interviews.

The work of Paltridge, Hurst and Morgan (1973) in the United States suggested the possibility of a similar research approach as a means of examining the governance of community colleges in Canada. The use made of their research methodology as part of this study has been explained in Chapter III.

After the present study had been initiated, a study of the functions of college councils in three colleges in Greater Vancouver, one of which had been included in the sample for this study, became available. Gray (1974) utilized a theoretical framework based upon Strauss and others (1963), who suggested that at any given point in time, the social order of a group or organization could be viewed as resulting from a formal order and a negotiated order. In Gray's study, the formal order was established by examining the relevant legislation, rules and regulations. The negotiated order was determined mainly from interviews with the council members, supported by an inspection of the councils' minutes for 1972-73. Gray found that in the three colleges studied the major involvement of the councils was in approving decisions brought to the council by the college administration.

From Parsons (1959), Gray derived four external organization problems at the institutional level (legitimation, integration, disposal and procurement) and five internal organization problems (technical functions, facility maintenance, policy implementation, integration and socialization) which were used to structure his analysis of the functions performed by the councils. He found that the councils stressed the procurement of resources and the disposal function in the form of approval of programs. While the focus of Gray's study was somewhat different from that of the present study, it afforded complementary conclusions, especially because one college had been included in the sample of both studies and the findings regarding that particular council could be compared.

III. CONCEPTUAL FRAMEWORKS

A number of different theoretical models have been used in studies of governance to describe the behavior of boards. The bureaucratic model, the collegial model, the political model, and the systems hierarchy model have been examined in the following subsections, in order to determine which would be the most relevant to this study.

Bureaucratic Model

The traditional, legalistic and pragmatic descriptions discussed previously could be conceptualized as part of a bureaucratic model of the institution, because one of the basic premises of the Weberian model was legal authority as a source of legitimation. Such a model emphasized the legal authority and responsibility of the board to establish policy, to make rules, and to appoint officers in order that the policies might be implemented by and within the organization (from the president down). In the bureaucratic model, all responsibility lay ultimately with the titular head of the bureaucracy, or in corporations with the board; and authority to perform certain functions was delegated within the hierarchy according to rational and formal rules and procedures. While such a conceptualization would be in accord with the legal position of the board, it would not adequately describe the dynamic operations of the college or its board.

Richardson, Blocker and Bender, in discussing the governance of two-year colleges, described the bureaucratic model in the following terms:

External influences are interpreted through the administrative structure which defines priorities, allocates resources, issues directives governing faculty and student performance, and controls the resultant process through the measurement of intervening or end-result variables. The basis for controlling behavior is an authority relationship created by the downward delegation of powers vested in the governing body by a legitimizing agency (1972:109).

In their view, to interpret college governance (including the functioning of the board) in terms of the bureaucratic model not only distorted the perception of what was occurring, but also exacerbated the problems of conflict by ignoring other influences in the decision-making process. They argued that "authority and influence can be effective in the decision-making process only when the matters to be decided fall within the zone of acceptance of those to be affected by them" (1972:90). Because they believed that bureaucratic rules could not overcome this problem, Richardson, Blocker and Bender adopted a participational model.

Concerning the inadequacies of the bureaucratic model as a description of governance in universities, Baldrige claimed:

First, the bureaucratic model tells us much about 'authority', that is, legitimate, formalized power, but not much about other types of power based upon non-legitimate threats, the force of mass movements, expertise, and appeals to emotion and sentiment. . . . Second, the bureaucratic paradigm explains much about the formal structure but very little about the processes that give dynamicism to that structure. . . . Third, the bureaucratic paradigm deals with the formal structure at any point in time, but does not explain how the organization changes over time. Finally, the bureaucratic model does not deal extensively with the crucial task of policy formulation. . . . In these ways, then, the bureaucratic paradigm falls short of explaining the decision-making in the university (1971b:4-5).

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bureaucratic model was used as a conceptualization of governance in colleges, other models have been examined.

Collegial Model

In rejecting the bureaucratic model for institutions of higher education, many writers have described the university as a "collegium" or "community of scholars." In so doing, they have de-emphasized the function of the board of governors, and have stressed the need for the full participation of the members of the academic community--especially the faculty--in its management. This concept, which emphasized the professional's ability to make his own decisions and his need for freedom from organizational restraints, implied that rational people working together would readily reach consensus on matters affecting the institution and that there would be no need for the board to exercise over-riding authority.

Richardson, Blocker and Bender (1972) have proposed a less extreme view of the collegial model for the two-year college in which administrators, faculty and students all participated significantly in the decision-making processes through representatives of each constituency of the college meeting together in various functional committees and the board. This consensus-developing process culminated in the college board which was representative of the community at large and of the constituencies within the college. They argued that "rather than being mediated exclusively through the administrative structure, external influences may impinge upon the internal environment through faculty and students as well" (1972:110).

Richardson, Blocker and Bender (1972:110) claimed that their participational model implied that information required for decision-making was not the exclusive property of any single group; and that it corresponded more closely to what was known about the transmission of information. They (1972:57-82) supported their position by appeal to the work of Getzel (1958), Maslow (1954), McGregor (1960), Argyris (1964), Toffler (1970), and Blake and Mouton (1964). While recognizing that the bureaucratic model described much of what occurred within the administrative structure of a college, and that bureaucratization increased the efficiency of routine administrative procedures, Richardson, Blocker and Bender argued that to apply this model uncritically to the governance of a college ignored the inputs from all parts of the college and its environment; imputed to the board and the president an omniscience and omnipotence that they could not possess; and placed too much additional power in the hands of the administration.

The research of Paltridge, Hurst and Morgan (1973) gave some support to Richardson, Blocker and Bender, in that board members appeared to show little initiative and to act largely to ratify decisions and actions taken elsewhere. The participational model, however, implied a consensus within the college which was denied by the evidence of conflict between individuals and between groups within such institutions.

Altbach, Laufer and McVey (1971) in "Prologue: The Multiversity in Crisis" described the university, not as a unity of collegiate common purpose, but as a multiversity characterized by its variety of

interests and activities held together by a common name, a common governing board and related purposes, which have lost their sense of community. In the absence of any over-riding goal, the various elements competed for scarce resources, for prestige, and for personal advancement. They presented a common front only when this had mutual benefit. While it was probable that the degree of conflict and disparate interests was greater in the larger universities than in small community colleges where face-to-face relationships could be more extensive, the views expressed by Altbach, Laufer and McVey drew attention to the divergent interests which existed within a college, and which diverged increasingly as the college grew in size and complexity, and diversified its offerings.

Political Model

As a result of his research at the New York University, and in an attempt to explain better the decision-making processes involved in governance, Baldrige proposed a political model involving conflict processes. In developing his model, Baldrige (1971a:15) drew upon the sociological tradition of "conflict theory," the "community power" theories of political science, and the "informal group" concepts of organization theory, as a framework for analyzing the activities of interest groups as they struggled for influence. Although this model arose from the events of the turbulent sixties with their obvious conflicts demonstrated in student riots and confrontation between boards, faculty and students, Baldrige argued that the political model offered a more complete view of decision-making processes in

universities than did the models discussed previously, even though for some purposes those models provided an adequate conceptual framework. It was considered that for the present study a model that took account of political processes would provide a more appropriate conceptual framework for examining the influence of boards in the allocation of resources and the approval of programs.

According to Baldrige (1971a:15-21), the conflict theorists emphasized the fragmentation of social systems into interest groups, each with its own particular goals; the interaction and conflict processes by which each group sought to gain advantages over the others; and the way in which interest groups clustered around divergent values. The study of change was a central feature of this conflict approach. The community power theorists were concerned with the nature of power in the political system, the role of interest groups in the political arena, and goal-setting activities. They dealt with political communities with very diffuse, differentiated goal-systems, in which the goals were ambiguous, contested and changing. The sociologists' attention was given to the way in which the social structure influenced the decision-making processes; political pressures were brought to bear upon decision-makers; decisions were forged out of conflict; and policies, once established, were implemented. This model was primarily concerned with the problems of goal-setting in organizations which were crucial in the process of allocating resources between programs and approving new programs.

Baldrige (1971a:190) argued that with the development of

complex decision networks, the decision process was removed from the hands of individuals (although some still remained powerful) and placed within a network that allowed a cumulative buildup of expertise and advice. He summed up the perspective provided by the political model in the following terms:

The political model suggests the following things. First, powerful political forces--interest groups, bureaucratic officials, influential individuals, organizational subunits--cause a given issue to emerge from the limbo of ongoing problems and certain 'attention cues' force the political community to consider the problem. Second, there is a struggle over locating the decision with a particular person or group, for the location of the right to make the decision often determines the outcome. Third, decisions are usually 'pre-formed' to a great extent by the time one person or group is given the legitimacy to make the decision; not all options are open and the decisions are severely limited by the previous conflicts. Fourth, such political struggles are more likely to occur in reference to 'critical' decisions than to 'routine' decisions. Fifth, a complex decision network is developed to gather the necessary information and to supply critical expertise. Sixth, during the process of making the decision, political controversy is likely to continue and compromise, deals, and plain head-cracking are often necessary to get any kind of decision made. Finally, the controversy is not likely to end easily. In fact, it is difficult even to know when a decision is made, for the political processes have a habit of unmaking, confusing, and muddling whatever agreements are hammered out (1971a:191).

Decisions regarding budget allocation and program approval appeared to be the type of critical decisions in which the political struggles suggested in Baldrige's fourth point would be evident. In the present study the political model provided the basis of a conceptual framework for examining the problem.

Systems Hierarchy Model

Another useful basis for conceptualizing the functions of college boards was found in Parsons' (1958) model of the institutional, managerial and technical levels of an organization as a social system.

Parsons argued that rather than having a continuous vertical hierarchy, organizations were divided into three levels whose decision-making functions were quite discrete and whose goals were different.

In his analysis, the technical level was responsible for the operations which produced the products of the system. In a college, this was the faculty which performed the teaching function and which was responsible for all decisions related to the educational process. The goal of this level was to produce the best possible product irrespective of cost and to obtain the resources needed to achieve that goal.

The managerial level was concerned with acquiring the resources (financial, material and personnel) necessary for the technical processing, and with allocating these resources between the subsystems of the technical level. To do this, the managerial level assessed the needs of its environment and marketed the product to satisfy those needs. In the college, the administration corresponded to the managerial level of Parsons' model. The goal of this level was to allocate the scarce resources available to it in competition with other organizations so as to achieve the best possible output mix from those resources, and to increase the total resources available.

At the institutional level, the organization was responding to the community as a whole in order to fulfil its functions in the total societal context. The institutional level was responsible for identifying the mission of the organization; for interpreting the needs of the community; and for allocating resources not only between

the internal subsystems of the organization but also between the organizational mission and other sectors of the community. Within the college, the college board constituted the institutional level; while at the college system level this function rested with the government. The goal of the institutional level, as Parsons saw it, was to utilize the resources available to the community and to allocate them in such a way that the total needs of the community were met so far as possible.

Parsons argued that the expertise required differed from level to level because the decisions made had a different basis. At the technical level, the expertise required was the professional skills and knowledge essential to the processing involved; while at the managerial level, the stress was upon administrative decision-making which demanded skills in identifying community demands and allocating resources to meet those demands. Because the function of the institutional level was articulating with society in general, its expertise needed to be representative of society rather than of the technical processing of the organization. This was essentially a political skill which would not allow the institutional level to become involved in decisions regarding the technical processing but would equip it to make decisions regarding the organization's priorities.

Parsons' model of the systems hierarchy provided a conceptual basis for distinguishing between the functions which could be attributed to each level of the college and the college system, and for analyzing whether a board was operating at the institutional,

managerial or technical level within the college. It also supplied a theoretical basis for relating the level at which decisions were made in the organization to the types of objectives upon which those decisions would be based. In regard to the present study, Parsons' model provided a conceptual basis for examining the board's function in allocating resources and approving programs.

IV. CHAPTER SUMMARY

Although much of the literature on governance in higher education followed a traditional, legalistic and pragmatic pattern, recent research findings have provided new insights into the functions of boards and the roles of trustees. In particular, the findings of Paltridge, Hurst and Morgan (1973) have provided evidence regarding the decision-making patterns of boards in the United States of America. In the absence of similar data on community colleges in Canada, it was felt that there was a need for an investigation of the way in which college boards functioned in this country and of their influence upon the colleges.

While the bureaucratic model and the collegial model offered some insights into administrative behavior within the institutions, it was considered that the political model outlined by Baldrige (1971a) provided the conceptual basis best suited to examining the decision-making process at the college board level. At the same time, Parsons' (1958) model of the systems hierarchy established a theoretical basis for identifying the functions of the boards.

Elements from these two models and the research methodology of Paltridge, Hurst and Morgan have been used in establishing the conceptual framework for this study, which has been described in Chapter III.

1

CHAPTER III

THE CONCEPTUAL BASIS AND METHODOLOGY
OF THE STUDY

It was indicated in Chapter I that this study was based upon the interpretative paradigm in that a descriptive and comparative approach, rather than an experimental approach, was adopted. In this chapter, a conceptual framework for the study has been developed and the methodology outlined.

I. THE CONCEPTUAL FRAMEWORK

In the development of the conceptual framework for this study, the systems hierarchy model was used to establish the functions of college boards and their setting within the total governance of the institutions, while the political model has been utilized to examine the process of decision-making and its outcomes in each of the institutions studied. The model of institutional decision-making, which was derived in this way, was employed as a basis for describing and comparing budget allocation and program approval in the institutions and for assessing the influence of boards in these functions.

Board Functions

The systems hierarchy model was used to select two main functions of the board as the institutional level of a college. These were identifying the mission of the college in relation to the needs

of society, and allocating resources at the societal level.

Mission identification could be described as the function of interpreting the community's needs for post-secondary education and ensuring that the college acted to meet those needs. In this study, this function was perceived as being performed through the establishment of program priorities as demonstrated by the approval of new programs by the board.

Resource allocation could be defined as the function of relating the college's resource needs to other uses of those resources in society and ensuring that the resources allocated to the college were utilized effectively to accomplish the mission of the college. This function was seen as being performed through the establishment of expenditure priorities as demonstrated by the process of budget allocation.

Although other functions of college boards might have been identified also, these two were identified from the systems hierarchy model as two crucial functions of the institutional level represented by the board. Throughout this study the terms "budget allocation" and "program approval" have been used because these were terms used at all levels of the institutions and would be more readily understood by those interviewed. They are also the organizational manifestations of resource allocation and mission identification.

Decision-Making Processes

For each of the functions, budget allocation and program approval, five elements were derived from Baldrige's (1971a:191) summary of the political model of institutional governance. The sixth element, for investigation, an analysis of the actions taken by boards, was derived from the study by Paltridge, Hurst and Morgan (1973). In the model of institutional decision-making, "initiation of action" arose from the first point in Baldrige's summary, "information-gathering network" from the fifth, "political constraints" from the sixth, "location of decisions" from the second and third, and "final acceptance" from the seventh; while the cruciality of the decisions involved was covered by the fourth point which suggested the application of the political model to the study.

Accordingly, six process elements were identified as follows:

1. Initiation of Action. Who initiated the actions which set the decision-making process in train, and determined the subjects upon which decisions were made?
2. The Information-gathering Network. What forms of information did the decision-makers seek? Who controlled access to this information? Through which channels was this information received?
3. Political Constraints. Where did negotiations occur in the decision-making process? Who made the trade-offs? Who established the priorities? How were the decisions enforced?
4. The Location of Decisions. Where were the decisions accepted by the board actually made? Were decisions "pre-formed" before they were legitimated by the board? If so, by whom?
5. Actions taken by the Board. What proportion of the board's business was concerned with finance and with programs? What proportion of the board's business was directed towards legislative policy, towards management policy, and towards working policy? What were the sources of the board's business in terms of committees, the administration, individual board

members, and others? What action did the board take on the matters placed before it?

6. Final Acceptance. To what extent were decisions accepted as final? To what extent were the members of the institution committed to the decisions?

The relationships between these elements have been expressed diagrammatically in Figure 1. The first four and the sixth elements were shown as covering all three levels of the systems hierarchy model because initiative, information-gathering, political constraints, decision-making and final acceptance could occur at all three levels. The box labelled "Departmental Decision-Making" has been included to indicate that provincially administered institutions would relate directly to the Department, while in institutions with boards the actions of the board would be an intervening variable which could affect the location of the decision and also the final acceptance by the institution of the decisions made.

The actions of the board were also shown in relation to the Department's decision-making because in institutions with boards, the board was the major form of articulation between the institution and the Department.

Using this conceptual framework, the study has addressed the problem of describing and comparing the decision-making process and the final outcomes of budget allocation and program approval in selected non-university post-secondary institutions, and of assessing the influence of boards in these functions.

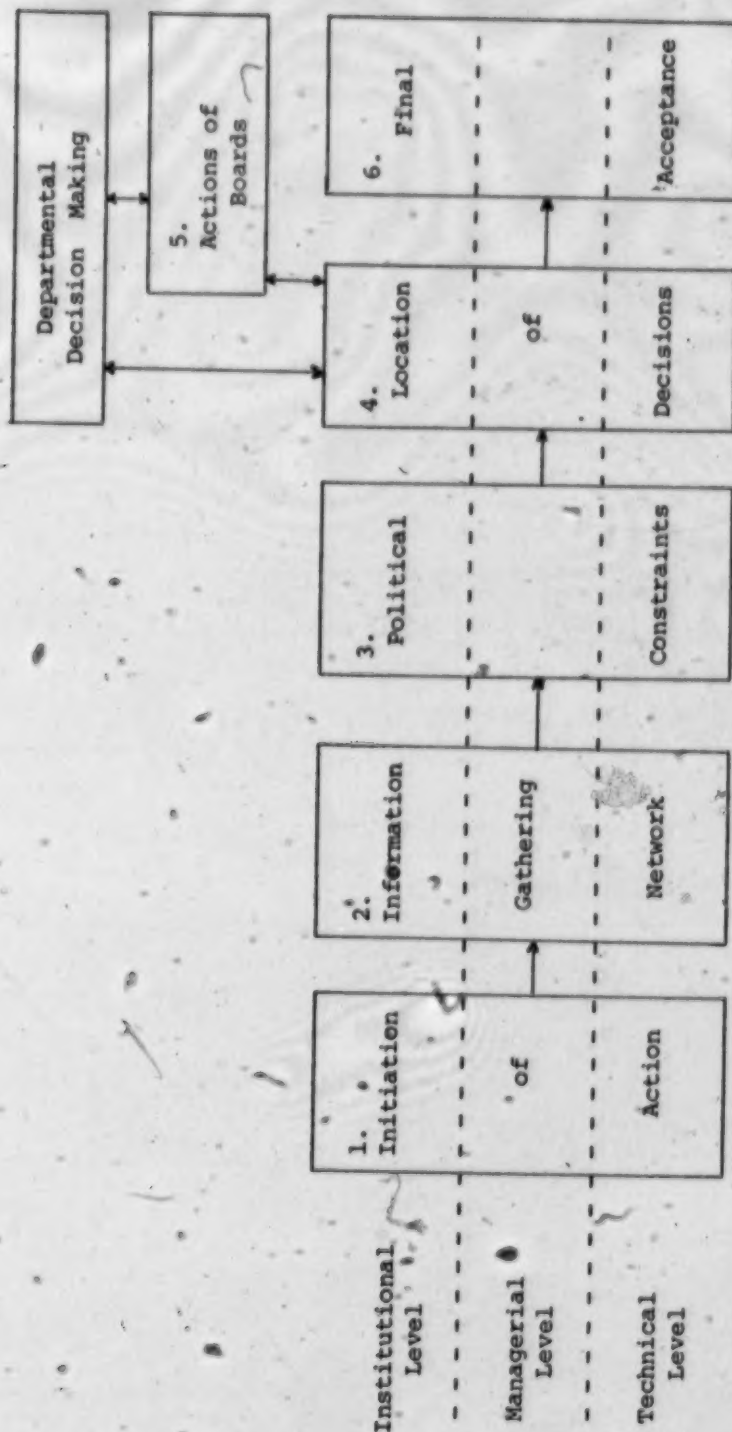


Figure 1

A MODEL OF INSTITUTIONAL DECISION MAKING

II. RESEARCH METHODOLOGY

In order to study the problem delineated above, a rationale for the investigation had to be established. As many of the previous studies of the functions of boards of trustees in the United States of America had been based on interviews and questionnaires, which had yielded largely subjective interpretations of the functions of the boards, it was decided to base this study so far as possible upon documentary evidence. Because it was recognized that documentary evidence alone would provide an incomplete, and perhaps distorted, interpretation of the functions of boards in institutional governance, the documentary approach was supplemented by subsequent interviews with selected personnel in the colleges and the Departments. In this way, the interviews were designed to clarify issues which were unclear in the records, while at the same time the documents provided an objective check on the validity of the perceptions of those interviewed.

Sample

A sample of colleges in Alberta and in British Columbia, and of the provincially administered institutions was selected on the basis of its representativeness of the three patterns of governance to be studied and of its manageability in the time available for the study. In Alberta, the sample contained two community colleges, one of which was located in a large city and the other in a rural town, an institute of technology and an agricultural and vocational college. The sample for British Columbia consisted of an institute of technology and two community colleges, one of which was in a large

city and the other in a rural town. An agricultural and vocational college could not be included in the sample for British Columbia, because such institutions did not exist in that province.

Initial contact was made with college and institute presidents, and with Departmental officers involved in budget allocation and program approval, to gain their cooperation in the study. Where it was possible, the initial contact was by telephone, followed by a letter which described the nature of the study and of the data to be sought from documents and interviews.

Documentary Sources of Data

The legislation and official policy statements of the responsible Department in each province were the sources of data concerning the powers, duties and obligations of the boards of the institutions to be investigated, and of the legal standing of institutions without boards. Institutional calendars provided data regarding the scope and philosophy of the individual institutions.

Preliminary budget estimates prepared within the institutions, budget estimates submitted to the Department, and, where these were available, correspondence between the institution and the Department were the prime sources of data concerning budget allocation for the 1974-75 fiscal year; while program submissions and, in Alberta, institutional mission statements were sources of data regarding program approvals. In Alberta it was also possible to refer to Departmental records containing recommendations to the College Budget Review Committee, and to the status report regarding program submissions up to November, 1974.

In those institutions with boards of governors, the minutes of public sessions of the board during the 1973-74 fiscal year and the related agenda documents were the data sources with respect to the board's actions during that period. Where possible, these were supplemented from the relevant correspondence between the college and the Department.

Verbal Sources of Data

To supplement the data obtained from documents, institutional presidents and/or senior administrators nominated by them were interviewed. They were asked to clarify details which were not clear from the documents examined, and to describe briefly the way in which the preparation of budget estimates and program approvals were handled in that institution. They were also asked the extent to which the decisions they made regarding these matters were conditioned by their perceptions of what would be acceptable to the Department, and where applicable to the board. These officers were asked to comment on the extent to which the Department and/or the board modified the administration's recommendations with respect to budget allocation and program approval, although the prime source of data on this matter was the board minutes and correspondence.

In those institutions with boards, the president or the bursar (who in British Columbia was by law secretary to the college council) was asked to describe the composition of the board in terms of the age, sex, occupation and educational level of its members. Age was estimated within decades; and educational level was described in terms

of whether the member held a university degree.

Senior Departmental administrators concerned with either budget allocation or program approval were interviewed to clarify details of those processes within the Department; to determine the criteria used by the Department in reaching decisions in these matters; and to obtain their perceptions of the influence of college boards in these processes.

The chairman of the board, or a member of the board nominated by him, was asked to describe the board's perception of its function in the governance of the college. He was also asked to comment on the priorities, if any, that the board had set for budget allocation and program development for the college. In all the colleges, except one in which the board met in closed sessions, a board meeting was attended to observe the manner in which the board dealt with its business, in order to obtain further insights into the degree to which the board examined matters placed before it, either by committees or by the administration. The inputs received in this manner were used to prompt further questioning at the interviews rather than as data for the study.

Initial Analysis of Data

The data collected at the provincial level were analyzed to determine the legislated requirements for the establishment of colleges, the powers and responsibilities of college boards, the manner in which the provincial Departments approached budget allocation and program approval, and the legal status of the provincially administered

institutions and their relationships with the provincial Department. The data used for this purpose were derived from the provincial documents, legislation and policy statements and from interviews with Departmental officers.

Initially, the data collected from each institution studied were analyzed separately using the model of decision-making outlined in the previous section. The use made of the data collected regarding the actions taken by boards has been described in a subsequent subsection because a detailed explanation was necessary. The nature of the other elements in the model has already been discussed in outlining the model. The questions contained in each element were therefore used to analyze the data collected.

From the data on the board membership provided by the college administration, the composition of each board was analyzed with a view to providing a tentative explanation of observed differences between boards when comparisons were made later. From agenda documents and from information gained during interviews with the college administration, the committee structure of each board was described.

Analysis of Actions taken by Boards

The actions taken by each board in regard to the matters placed before it during the fiscal year of 1973-74, as recorded in the minutes of its public sessions, were analyzed in terms of a modification of the typology used by Paltridge, Hurst and Morgan (1973). Firstly, each action taken by the board was categorized according to whether it concerned finance, programs, or other matters.

Because almost all decisions implied some expenditure by the college, an item before the board was classified as a financial matter if it was clear that expenditure was a crucial issue in the decision. For this reason, for one college where personnel decisions also included references to salary, these items were classified as "other" because the salary was already determined by the position and the establishment of the college already provided for the position. On the other hand, decisions on salary contracts were classed as financial decisions, even though the salary agreements were not part of the minutes.

Items were classified as program matters if they referred to existing or proposed programs for the college or to decisions to offer particular courses at a particular time. The remaining items were classified as other matters for the purpose of this analysis.

The source of the item was defined in terms of the person or persons placing the item on the business agenda of the board. Items were classified as originating from a committee, if they appeared on the board agenda as a report or recommendation of a committee. An item was classed as arising from a board member if it arose within a board meeting from an individual member directly; or from the administration if it was raised within the board meeting by the president or other administration officer without first going to a committee. Items were classified as arising elsewhere if they came directly before the board without being considered by a committee, or by the administration, or were not raised by a board member.

It was clear from the minutes that many matters considered by

committees had originated with the administration or from elsewhere. For the purpose of this analysis, these items were classified as arising from a committee. Although it was recognized that this would have the effect of increasing the number of items attributed to committees, it was considered that these definitions would provide a clearer presentation of the way in which the board handled its affairs, and also provided a measure of the influence of the committees as distinct from the board. Because in some boards, certain matters were raised in the board before being referred to a committee, it would have been difficult to trace every item to its original source, and to do so would not have contributed further to this particular analysis.

Each item or decision within the board was treated as a separate action. If a matter was tabled or referred to a committee or to the administration, that matter was counted as one action; and when it appeared again on the agenda of the board it was considered to be a separate item. Similarly, if an agenda item created more than one action within the board, then each action was counted separately. For example, if a routine item caused the board to determine a new policy or to review policy as well as to decide the particular issue, the two actions were treated separately, and each attributed to whichever source was applicable to the particular action taken.

The actions taken by the board were classified as approved; approved after amendment within the board; rejected outright; tabled, deferred or referred to a committee or to the administration for further consideration, advice or action; a request for information

(usually from a board member); or received for information only. Where two discrete actions arose from one item, each was classified separately.

The actions taken were further classified in relation to the level of decision-making involved, using again the typology of Paltridge, Hurst and Morgan (1973), which was discussed in Chapter II. Items were classified as Level 1, if they involved either college mission and policy statements or responses to legislation. They were classed as Level 2, if they involved policies or matters of major policy implementation, and relationships between parts of the college. Level 3 items were routine matters of implementing policy, such as the approval of monthly expenditure statements, course offerings in continuing education, or personnel appointments among the clerical staff or part-time instructors. These levels were described as legislative policy, management policy, and working policy, respectively.

The reliability of the placement of items into the various categories was checked by having two independent researchers categorize a sample of items from the minutes of a college. The product-moment correlations between the levels assigned in this study and those assigned by the two independent researchers were 0.85 and 0.90, respectively.

From the analysis described in this subsection, it was possible to describe more succinctly and precisely the decision-making behavior of each board; and to determine where its emphasis lay. In particular, the analysis provided an assessment of the board's involvement in budget allocation and program approval.

Reporting the Results of this Analysis

In reporting the results of this initial analysis of the data, a separate chapter was devoted to a particular pattern of governance. The functioning of the wholly provincially financed public colleges with provincially appointed boards was described in Chapter IV; the functioning of colleges in British Columbia, with councils receiving partial funding from school boards and with some school trustee members in Chapter V; and the functioning of the provincially administered institutions in Chapter VI.

At the beginning of Chapters IV and V, the legal status of boards in Alberta and British Columbia, respectively, was described. This was followed by a statement of the budget allocation and program approval processes from the provincial perspective. These statements were syntheses of the information derived from provincial documents and from interviews with Departmental officers.

Description of Budget Allocation

The description of the budget allocation process and its outcomes was based upon the analysis of data obtained from budget documents both within the college and the Department, the correspondence available, the public session minutes and agenda documents for those institutions with boards, and from the interviews with the personnel involved. The budget approved by the board or the administration was examined in detail and, where possible, compared with the budget proposals prepared for the administration in order to determine where changes had been made and the extent to which changes had been made.

Although preliminary budget estimates were prepared in British Columbia, it was only possible to obtain figures for these in one college, because in the other college all such matters were considered confidential to the board. It was therefore necessary to determine some details of budget changes from interviews within the college. From a synthesis of these data, the budget allocation process for each institution was described in a separate section of Chapter IV, V or VI.

For British Columbia, a description of the budget allocation process at the provincial level was composed from interview data, and from correspondence and minutes of a meeting of departmental representatives with board members and the college administration of one of the colleges. It was possible to obtain from documents in both of the colleges details of the changes made to the budget by Departmental decisions.

For Alberta, a similar description was based upon an analysis of data from a letter regarding budgets sent by the Department to the colleges, internal Departmental documents regarding budget approvals, other correspondence between the institutions and the Department, the Estimates 1974-75 presented to the Legislature, and from interviews with Departmental officers. From these sources, the budget approved for each institution for the 1974-75 fiscal year was obtained.

Description of Program Approval

In general, an analysis of the data obtained from interviews, program approval submissions to the Department, minutes of public sessions of the college board meetings, and in Alberta the Department's Program Coordination Policy and programs status report, and the institutions' mission statements provided a synthesis of the way in which program approval was handled within each institution and by the Department. For each college, a particular program was selected as an example of this process and of the documentation required to have programs approved.

Validation of Descriptions

After the description of budget allocation and program approval in each institution was completed, it was submitted to the institution for comment and criticism in order to validate the observations made. After any necessary corrections had been made, the description was incorporated in this study as a section of the appropriate chapter.

General Comparison of College Boards

From the data synthesized in Chapters IV and V for each of the colleges, it was possible to compare the actions of the boards in the different colleges. This comparison consisted of an analysis of the way in which boards differed in terms of the volume of business transacted during the 1973-74 fiscal year, the proportion of that business devoted to finance and to program matters, the source of that business, the level of the decisions made and the type of action taken. From these analyses, differences in perceptions of the

role of the board became apparent so that the degree of supervision, the attention given to routine matters and the emphasis on personnel matters were found to be distinguishing features.

The composition of the boards was compared in terms of age, occupation, and method of appointment, in order to provide a tentative explanation of the differences in the behavior of one board in comparison with the others. The membership of boards in Alberta and of councils in British Columbia was compared to provide some explanation of differences observed between the two provinces.

Comparison of Governance Patterns

From the descriptions contained in Chapters IV, V and VI, the processes and outcomes of budget allocation and program approval in the seven institutions were compared within the framework of the model described previously in this chapter. The elements of initiation of action, the information-gathering network, the political constraints, the location of decisions, the actions taken by boards, and final acceptance were used to determine the similarities and differences among the decision-making processes within these seven institutions; and an assessment was made of the differences between institutions with boards and institutions without boards in order to determine what differences, if any, in the process and final outcomes of budget allocation and program approval could be associated with the presence of boards. The results of this analysis have been presented in sections III and IV of Chapter VII.

Assessing the Influence of Boards

Once the differences observed between institutions with boards and those without boards had been established, the influence of boards was assessed in terms of the differences that the presence of a board made to each of the elements discussed above. The influence of boards was considered from the viewpoint of the internal influence of boards on the decision-making within the institution, and of the external influence of boards on decision-making in the Departments concerned.

Internal influence on budget allocation was assessed on the basis of the following criteria. What changes did boards make in the budget allocations decided at other levels of the college? To what extent were decisions "pre-formed" when they were presented to the board? To what extent was the administration constrained by the perceptions of what would be acceptable to the boards? What was the degree of scrutiny given by the boards to the actions of the administration?

External influence on budget allocation was assessed on the basis of the percentage change which the Departments made to the budgets submitted by the institutions, and the degree to which the boards conformed to the guidelines set by the Departments. A second criterion was the degree to which boards accepted the decisions made by the Departments.

Internal influence on program approval was assessed by the extent to which boards provided priorities in program development; the extent to which boards rejected programs initiated by the faculty

and the administration; and the extent to which the board required changes in program proposals before they were approved by the board.

External influence on program approval was assessed on the basis of the extent to which the Departments endorsed the programs approved by the boards; and the extent to which the Department's decisions were accepted as final.

In each of these spheres of influence the outcomes in institutions with boards were compared with the corresponding outcomes in institutions without boards in order to determine whether any differences could be attributed to the different pattern of governance. As a result of these comparisons, the overall influence of boards in regard to budget allocation and program approval was assessed. The results of this assessment of the influence of boards have been reported in section V of Chapter VII.

CHAPTER IV

COMMUNITY COLLEGES IN ALBERTA

I. THE PROVINCIAL PERSPECTIVE

Legislation

With the exception of Grant MacEwan College, the community colleges in Alberta were established under the provisions of the Public Junior Colleges Act, 1958. This Act empowered school boards, individually or jointly, to establish junior colleges with the approval of the Minister of Education, and to maintain these colleges by means of provincial grants and local taxes. Originally the college board was vested in the school boards establishing the college, but the 1959 amendment to the Act gave to the colleges corporate status, while continuing the existing financial arrangements.

In the Colleges Act, 1969, the Alberta Colleges Commission was created to administer the college system in Alberta; the provincial government accepted full financial responsibility for the public colleges; and the Public Junior Colleges Act was repealed. At the same time, the college boards were reconstituted as boards of governors, established by an order of the Lieutenant-Governor in Council, and consisting of the president of the college, a member of the academic staff nominated by the academic staff association, a student member nominated by the student council, and five others appointed by the Lieutenant-Governor in Council. Appointed members had a

three-year term, which could be extended for a second three-year term; but after the second term, there had to be a break of three years before a person could be appointed for a third term.

Following a change of government, the Department of Advanced Education was created in 1971, and the enabling legislation embodied in the Department of Advanced Education Act, 1972. Under this Act, the Minister of Advanced Education was empowered to make regulations for distributing moneys appropriated by the Legislature for advanced education, and for the establishment, operation, administration and management of vocational, technical or agricultural schools or institutes, or agricultural and vocational colleges. Under the same Act, the Colleges Act was amended to transfer the powers previously held by the Minister of Education to the Minister of Advanced Education; and the Agricultural and Vocational Colleges Act was repealed, thus vesting in the Minister of Advanced Education the powers previously held by the Minister of Agriculture in respect to those institutions.

The Colleges Amendment Act, 1973, which became effective on May 30, 1973, disbanded the Alberta Colleges Commission and transferred the powers previously held by it to the Minister of Advanced Education.

Under the Colleges Act, 1969-73, the Minister was empowered to

- (a) require each college board to submit to him such reports and information as he required; and
- (b) regulate and prohibit the extension, expansion or establishment of any service, facility or program of study so as to reduce or avoid an undesirable or unnecessary duplication within the college system, or the establishment of a new school, facility or department by any member of the college system.

For the purposes of the Colleges Act, the college system consisted of each public college and each provincially-owned institution declared

to be a member by an order of the Lieutenant-Governor in Council. The position of the provincially administered institutions has been considered further in Chapter VI.

The Minister was expressly empowered to approve or disapprove the capital and operating budgets of the college system; and to review, approve, amend or disapprove all requests for capital expenditures from college boards.

The college board was empowered under the Act to provide courses of general, academic, vocational, cultural or practical nature, subject to the approval of the Minister, and to provide short courses or programs to meet the needs of special interest groups. With the approval of the Minister, the board could establish admission requirements, and prescribe tuition fees for both full-time day programs and part-time and evening courses.

The Act placed upon the college board the duties of submitting annual reports and other returns required by the Minister; of ensuring that the business and affairs of the college were conducted in accordance with the Act and its regulations; of determining the general policies with respect to the organization, administration, operation and courses of instruction of the college; of assuming full responsibility for the expenditures of the college from the funds provided and for accounting for those expenditures; and of providing for the full and accurate recording of its proceedings, transactions and finances. The board was empowered to appoint the president at a remuneration approved by the Minister; to appoint academic staff and to enter into negotiations with them in order to reach agreement on salaries and conditions; and

to appoint non-academic staff and to determine their conditions and remuneration.

The expenditures of the board were limited under the Act, by prohibiting it from accepting any liability or making any expenditures for any purpose which could not be met from existing funds or from the annual income for that year, without the approval of the Minister. Thus, each board was constrained by the provisions of the Act to act in accordance with government policy. Two duties specifically enjoined upon the board were financial accountability to the government and determination of general educational policies for the college.

The Department and Budget Allocation

In Alberta, the fiscal year for the colleges was from July 1 to June 30 of the following year, even though the government's fiscal year ran from April 1 to March 31 of the ensuing year. The 1974-75 budget for the colleges was the first budget developed under the Department of Advanced Education rather than the Alberta Colleges Commission, although the procedures adopted by the Department tended to follow those used by the Commission because many of the same staff were involved.

In Alberta, governmental budget discussions for the 1974-75 budget began in June, 1973. The Department of Advanced Education submitted its budget estimates to the Treasury in August, 1973, so that these estimates could be examined and priorities set in negotiations between representatives of the two departments. These estimates were

submitted to the Priorities Committee of Cabinet (which consisted of the Premier, the Provincial Treasurer, and six senior ministers) for its consideration and decision. At meetings of the Priorities Committee during November, 1973, departmental officers were required to explain the basis of their estimates, and to indicate provincial priorities as they saw them. As a result of the decisions of the Priorities Committee, the colleges were advised at a meeting with departmental officers in November, 1973, that there would be comparatively slight increase in the expenditure in 1974-75; and that they should budget on the basis of a seven percent increase in costs after allowance had been made for changes due to projected enrolments. These budgets were required to be approved by the college boards and to be submitted to the Department by February, 1974.

Each college's budget was examined by the College Budget Review Committee, which consisted of the Deputy Minister, the Assistant Deputy Minister (Administrative Services) and the Directors of Finance Planning Services, Finance Operations Services, College Programs Services, and of Administrative Services for College and University Affairs. For the committee, the Director of Finance Planning Services prepared an analysis of each college's budget in terms of the projected enrolments, the seven percent increase, and amounts for special items in the expenditure; and on this basis recommended the grants to be made. These recommendations were considered by the committee and a final decision made concerning the grant for each college. These decisions were reached on an incremental basis from the previous year's average cost per full-time equivalent student rather than from a complete

analysis of the expenditure's proposed.

When the government's budget had been presented in March, 1974, and the Appropriation Bill passed, the colleges were advised of the grant to be made; and following further discussions in which the probable effects of the budget were examined with the college administration, the final budget for each college was established. These Operating Budgets did not provide for the establishing of new programs, which were financed from a separate fund within the Department of Advanced Education. This will be discussed in the following section.

The Operating Budget did not provide for either major expenditure on renovations or equipment, or for new buildings. Under the Alberta Colleges Commission there was established a capital budget for each college of ten percent of the Operating Budget to provide for capital maintenance and new equipment. Under the Department of Advanced Education, the basis for Capital Budgets was ten cents per square foot of floor space for the maintenance and renovation of college buildings; and an allowance of fifteen percent of the furnishing and equipment inventory (which is assessed by the Department at 4.50 dollars per square foot of floor space) for the replacement of equipment and furnishings. Capital expenditure for new buildings required ministerial approval under the Colleges Act and was the subject of separate negotiations between the college administration and the Department. Capital building grants were granted under an Order in Council after consideration by the Cabinet.

The Department and Program Approval

All programs in advanced education required the approval of the Department of Advanced Education before they could be implemented. The policy of the Department on program coordination was set out with guidelines and procedures in a document dated March, 1974. Its policy was that "instructional programs in the Alberta system of advanced education will be coordinated to ensure the availability of effective educational experiences and to avoid unwarranted duplication of effort in institutions." Each institution (university, college and institute of technology) was required by the Department to submit to it a mission statement, setting out its current program offerings and its plans for developing new programs, which reflected the mission and capabilities of the institution.

Under the procedures adopted by the Department, each college retained the primary responsibility for preparing proposals for new programs and for ensuring that all appropriate reference groups had been satisfied; but the Department retained the right to reject proposals which would not be consistent with the role of the college, or which would create unwarranted duplication throughout the province.

When a college considered commencing a new program, it forwarded a letter of intent to the Department to facilitate the allocation of new programs prior to the preparation of formal proposals and to enable the Department to appropriate funds in advance of the implementation of the program. The letter of intent was required to outline the program area proposed, a tentative implementation schedule, preliminary enrolment estimates over the first three to five years,

preliminary estimates of annual operating and capital costs, the approximate date by which the formal proposal would be submitted, and other relevant information (such as groups to be consulted).

All letters of intent were considered by the Department's Program Review Committee, which consisted of the Assistant Deputy Minister, Program Services, and directors of the Program Services and the Administrative Services Divisions. The policy document stated that new programs would be evaluated on the basis of the following criteria:

1. Appropriateness of Philosophy and Purpose of the Proposed Program;
2. Benefits of the Proposed Program;
3. Suitability of the Curriculum;
4. Economic Considerations; and
5. Special Considerations.

All programs, irrespective of whether they were submitted by universities, colleges or institutes of technology, were treated in the same way, with a recommendation brought to the committee by the director responsible for that type of institutional program. In the case of college programs, the recommendation was made by the Director of College Programs. On the basis of the above criteria and the subjective judgments of the committee members, a decision was made for the institution to proceed with the development of the formal proposal; or to defer its development; or to provide additional information; or not to proceed at all. If a possible role inconsistency was identified, the institution was advised to defer further development until the role inconsistency issue was resolved.

If approval was given for the institution to proceed with the

development of the formal proposal, the funds required for initially implementing the proposal were reserved in the budget for the phase-in period, and the institution proceeded to develop its proposal. The proposal was required to include the title of the program and the credential to be awarded to graduates; the purposes and benefits of the program; the nature of the program and a summary of the curriculum; enrolment predictions; an implementation schedule; estimated costs directly and indirectly attributable to the initial implementation of the program; a summary of the findings of those consulted; a statement of the relationships of the proposed program to other programs in the college, to the resources available, and to the system of advanced education; transfer arrangements, if any, with other institutions; proposed growth limits; and procedures for the institutional evaluation of the program. Before a program proposal was accepted by the Department, it had to have been approved by the board of governors. When the formal proposal had been received, it, was again evaluated by the Program Review Committee, with a recommendation from the Director of College Programs; and a final decision made as to whether the program would be approved and financed.

If there were insufficient funds to support all the programs which were approved in principle by the Department, then it would be necessary for the Department in consultation with the institutions to decide priorities among the programs, on the basis of the Department's perceptions of the needs of the province.

To keep the institutions informed regarding program developments throughout the system of advanced education, status reports were issued

periodically by the Department to the institutions. In the period between March and October, 1974, 152 letters of intent and proposals had been processed by the Program Review Committee. Of these, 59 were approved, 41 not approved, 25 deferred, and 29 tabled pending further information from the institution. Of these, 66 had been received from public colleges, of which 20 were approved, 20 were not approved, 11 deferred and 15 pended. As a result of other institutions being informed of letters of intent and program proposals, role inconsistency challenges were received by the Department, which then had to decide between the institutions on the basis of their mission statements, the facilities available and the provincial needs.

According to the Assistant Deputy Minister, Program Services, program proposals from all institutions were treated in the same way, and the existence of boards of governors did not influence the Department's decision. The Department did not experience any lobbying from college boards, although occasionally other organizations attempted to influence decisions regarding particular programs. The Department's policy was to seek equitable, rather than equal, treatment by taking into account the circumstances of the individual institution.

Conclusion

Although the Departmental officers interviewed did not consider that the existence of boards of governors influenced their decisions regarding either program or budget approvals, they still thought that the boards influenced the way in which the colleges were administered. Firstly, the presence of the board was an additional constraint upon

the administration, which was thereby required to make decisions or recommendations in terms of its perceptions of what the board would accept, and to establish arguments and data to support those recommendations to the board. Secondly, institutions with boards were not bound by the Public Service Act or the Financial Administration Act, or by regulations made under them; and therefore could be more flexible and responsive to change. Thirdly, an institution with a board could be more readily required to live within its budget than could a departmentally-directed institution. As a separate corporation, the public college, while depending upon government grants, had no legal power to commit the government to additional expenditure; it was therefore required to accept responsibility for its own expenditure decisions. If it overspent in any fiscal year, it could allow for this by short-term borrowing, utilizing surpluses from previous years or trading some of its assets. Fourthly, the public college had control of its revenues as well as its expenditures, so that increased service to students or to the public, whether in courses or in food services, for example, could be met from increased revenues from that service, at least in part. These comments were examined further in Chapter VI when the Institutes of Technology were being discussed.

It was felt, on the other hand, that boards took time to understand college management and members often left the board before they could make a substantial contribution to college governance. Because of inexperience in personnel management and contract negotiations, boards often allowed too rigid statements of conditions to be negotiated, which limited the administration's capacity to

utilize faculty and staff effectively. Those interviewed thought that boards tended to accept the administration's recommendations too readily, instead of assessing them independently. They felt that generally the public colleges with boards of governors had, however, advantages which outweighed these difficulties.

II. INSTITUTION A

Establishment and Composition of the Board

Institution A was established by the Government of Alberta in a large city in 1970. Initially the board of governors consisted of five lay members appointed by the Lieutenant-Governor in Council. To these were added the president, when he was appointed, and the faculty and student representatives after courses were established in 1971. As the lay members terms of appointment expired a number of changes were made by the new government elected in 1971, and for a time some positions remained vacant.

In mid 1974, the board consisted of four men and three women, with one position vacant. Two of the men were in the fifty to sixty age group, one in the forty to fifty age group, and one in the twenty to thirty age group. One woman was in the twenty to thirty age group, one in the thirty to forty age group, and one in the forty to fifty age group. It was reported that four of the members had degrees, including the president, the faculty member and two lawyers; while the other three were a housewife with real estate interests, an independent businessman and the student member.

To expedite the business of the board, three main standing committees had been established. The Finance Committee examined all matters relating to the operating expenses of the college; the Property Facilities Committee handled matters involving the acquisition of sites and the maintenance, alteration and construction of facilities; while the Management Committee was responsible for the remaining matters, including program approval. It has been shown in the next section that almost all the board's business passed through these committees before it was considered by the board. There were also committees like the Negotiations Committee which operated as the need arose.

According to the board chairman, the board saw its main function to be policy-making and the management of finance. In budgeting, the board sought to limit the expenditure on administration in order to direct as much as possible towards instruction within the limits set by the government. The board had not set direct priorities for program development beyond the college mission statement and, because some of its members sat on the Academic Council and the Management Committee, it did not need to examine program proposals at the board level. The chairman acknowledged that at present more of the initiatives came from the administration, although earlier when initial policies were being established the board had taken the lead.

Actions Taken by the Board

From an analysis of the actions taken by the board in its public sessions between July 1, 1973, and June 30, 1974, the results

of which have been summarized in Table I, it was found that of 548 items brought before the board, 117 (21.3 percent) directly concerned financial decisions, and 131 (23.9 percent) involved program development and educational policy. In terms of the level of decision-making (as defined in Chapters II and III), 407 items (72.4 percent) were working policy matters, 140 (15.5 percent) were management policy items, and only one (0.2 percent) was classified as a legislative policy matter. Board committees placed 407 items (72.4 percent of the matters handled by the board) on the agenda; 23 (4.2 percent) were presented directly by the administration; 11 (2.0 percent) were raised by individual board members; while 107 (19.5 percent) came to the board from elsewhere. The latter group included the one matter of legislative policy with which the board was concerned; this was a letter from the Department of Advanced Education regarding its policy on student transferability, which was received for information.

When these 548 items were analyzed in terms of the actions taken by the board, it was found that 277 items (50.5 percent) were approved without amendment, and a further 24 (4.4 percent) with amendment. Of these 301 items, 262 (87.5 percent of the items approved) had been considered previously by a committee of the board. Only seven items, including five matters recommended by a committee (none of which concerned either finance or programs), were rejected by the board; while 189 items (34.5 percent of the total) were received for information only. Of the latter, eight came from the administration directly, 110 from the committees, and 71 from elsewhere. A total of 44 items (8.0 percent of the total) were tabled, or referred back to a

Table I
ANALYSIS OF ACTIONS OF THE BOARD OF INSTITUTION A

Decision Area	FINANCE		PROGRAM		OTHER		TOTAL		GRAND TOTALS
	C'tee	Mbr	Adm.	Ext.	C'tee	Mbr	Adm.	Ext.	
Source	C'tee	Mbr	Adm.	Ext.	C'tee	Mbr	Adm.	Ext.	
Action Level									
1									
2									
3									
Approv.	9	1		1	10				61
	70			1	52	3			216
1									
2					3				
3					8				
Approv. + Amend.									
1									
2					1				8
3					6				32
Reject									
1									
2									
3									
Table Defer. Ref.									
1									
2									
3									
Request Inform.									
1									
2									
3									
Rec'd for Inform.									
1									
2									
3									
TOTALS	17	1	6	6	19	1	1	6	1
	87		6	6	89	3	4	9	140
GRAND TOTALS	104	1	12	12	108	4	4	15	548

committee or to the administration for further investigation and consideration. It appeared from the board minutes that the board preferred to refer a matter back for further consideration rather than to reject a recommendation without further consideration.

The fact that the board only rejected seven items out of 308 matters upon which it actually made a decision should not be interpreted to mean that the board necessarily acted in a pro forma manner merely to ratify decisions reached elsewhere. It appeared from the evidence that if the board could not reach ready agreement on a matter that item was referred to a committee for further investigation in order to save the board's time. This was shown by the way in which some matters arose on a number of occasions until a satisfactory decision was reached. An example of this process was the way in which the board required the divisions of the college to re-structure their establishment charts until the board was satisfied that a sound structure had been established.

It was probably more significant that the board had not given attention to matters of legislative policy concerned with the mission and priorities of the college, and had concentrated its attention almost entirely upon management policy (internal structure and relationships, and the approval of programs initiated through the faculty), and on working policy (implementary decisions).

The College Board and Finance

Financial matters were a major board consideration during the fiscal year of 1973-74, constituting directly 21 percent of the board's

business. Of the 117 financial matters considered by the board, 104 (88.9 percent) came to the board from a committee, although this was not always the Finance Committee since the Property Facilities Committee usually considered capital expenditure.

Seventy of the items at the working policy level, which were approved by the board on the recommendation of the committees, were routine approvals of expenditures of amounts greater than three thousand dollars which had already been undertaken by the administration and which required the examination and approval of the Finance Committee. Other items were the approval of membership dues for particular organizations with which the college was associated, and the approval of costs incurred for the attendance of faculty at conferences and workshops. Only nine of the finance items were at the management policy level. These were concerned with the college budget, the transfer of allocations from one section to another, and with the faculty salaries.

Each month the board received from the Dean of Administrative Affairs a statement of operating expenditures and revenues for the period ending on the last day of the month approximately six weeks before the board meeting. The statement was examined in detail each month by the Finance Committee which reported to the board on any matters requiring the board's attention. The minutes indicated that the board during the last months of the fiscal year made post hoc adjustments to the budget allocations for certain sections on the basis of financial data which were six weeks out of date and which did not provide any information regarding expenditure commitments. The monthly

statement showed the total expenditure to date as a percentage of the total budget allotment for that item, with the statement to April 30, 1974, showing that the expenditure by departments varied from 54.0 to 102.2 percent of the amount allotted to that department for the fiscal year, even though only two months remained to the end of the fiscal year.

At its meeting on May 8, 1974, the board, on the recommendation of the Finance Committee, resolved to draw the attention of one division to its financial position; to direct the administration to transfer funds to certain accounts to cover over-expenditure under those allocations; and to request a breakdown on the budget allocation for the board's expenses during the 1974-75 fiscal year.

At the meeting on June 19, 1974, the board decided on the recommendation of the Finance Committee that the administration should advise each division which could be overspent that any deficit would be carried forward and applied against the 1974-75 budget. It appeared that the board was exercising post hoc adjustment of the budget rather than examining reasons for deviations from the budget, because there did not appear to be any attempt to relate the actual expenditure of a division to its actual enrolments or to require explanations of the reasons for overspending. The only other action taken arose when tenders were being considered; as a subsidiary motion, the administration was asked to investigate and report on the excessive use of paper by the office.

As indicated above, matters of capital expenditure were processed by the Property Facilities Committee. The minutes for the board's

meetings in December, 1973, and April, 1974, recorded expenditures totalling over 173,000 dollars for alterations, renovations, and new furniture. None of these matters were referred to the Finance Committee because they were already covered by budget provisions.

Although the minutes for the fiscal year of 1973-74 did not show that the board had dealt with applications to the Department of Advanced Education for major capital expenditures, it was stated in the interviews that the administration with the knowledge and approval of the board had negotiated directly with the Department, and when agreement had been reached advised the board of the outcome. Thus, at the meeting in March, 1974, the board received for information correspondence from the Department of Advanced Education in which the college was advised that the government had approved a grant of six million dollars for the acquisition of some existing buildings and for the construction of buildings on a new campus.

At its meeting in May, 1974, the board approved the recommendation of the Property Facilities Committee that each campus location should be equipped with or have easy access to gymnasias. The agenda papers did not indicate that any attempt had been made to estimate the cost of this policy or to assess the amount of use such facilities would receive. Nor was any provision made for the implementation of this policy.

In its report to the board meeting in December, 1973, the Finance Committee indicated that there had been a meeting of the finance officers of the colleges with officers of the Department of Advanced Education at which it had been stated that the increase in the

colleges' budget would not be substantial; that Institution A would receive a larger proportion because enrolments there would continue to increase while those elsewhere were declining; and that new programs would not be included in the budget estimates, but would be approved separately and financed from a special fund of 1.5 million dollars held for this purpose by the Department of Advanced Education.

It was also reported that the following schedule of meetings had been set up by the Dean of Administrative Affairs to establish the budget for 1974-75:

- 11 December 1973--Meeting with division heads--preliminary budget discussions;
- 20 December 1973--Budgets to be submitted by the instructional divisions and reviewed by the directors;
- 3 January 1974 --Second draft of instructional budgets to be submitted for review;
- 7-11 January 1974--Review of all budgets by the President, Dean of Administrative Affairs, Dean of Academic Affairs and senior officers concerned;
- 14-18 January 1974--Preparation of final budget submission;
- 21-25 January 1974--Submission to a special meeting of the board;
- 31 January 1974 --Revisions, if necessary, and transmittal to the Department of Advanced Education.

The Dean of Administrative Affairs was asked to submit an estimate of enrolments upon which the budget could be based.

At its meeting in January, 1974, the board approved the estimated enrolment of 2,000 full-time equivalent students in 1974-75 as a basis for establishing the budget. Non-credit course enrolments were excluded because these did not receive financial support from the Department as part of the budget.

In preparing the budget, the administration followed the process outlined in the schedule above. The preliminary estimates totalled in excess of five million dollars, but these were reduced during the

review to four million dollars by negotiations within the college, on the basis accepted of 2,000 full-time equivalent students at an average cost of 2,000 dollars per student, because it was considered that this was the extent to which the Department of Advanced Education would support the college's operating budget.

The budget estimates were submitted to the board at a special closed meeting on January 23, 1974, without prior review by the Finance Committee. After discussion, the board adopted the budget as submitted of 3,950,000 dollars for the fiscal year 1974-75, with the request that the Department of Advanced Education provide a grant of 3,380,000 dollars and approve the release of 50,000 dollars held by the college for course and program development and the utilization of 100,000 dollars held as a surplus from the fiscal year of 1973-74.

The budget was submitted to the Department of Advanced Education in the format required by the Department with a covering letter dated January 31, 1974. The budget summary gave a breakdown of the budget by items of expenditure but not by instructional divisions. It was estimated that 400,000 dollars would be received from tuition fees and 20,000 dollars from special fees and sundries. The budget submission did not contain any arguments in support of the budget, beyond the estimates of an enrolment in existing programs of 2,000 full-time equivalent students, because the budget was presented in person by the president who spoke to the submission. The total submission was approved by the Department of Advanced Education, although it was learned in interviews with Departmental officers that the Department did consider reducing the grant by 16,000 dollars.

From the minutes and from the interviews with the college administration, it appeared that the administration was mainly involved in the preparation of the budget and in negotiations with the Department; that the Finance Committee had no involvement in the budget allocation; and that the board in discussing the budget did not give detailed scrutiny to individual items or modify any of the allocations. The chairman of the board indicated that amount of funds the government was prepared to grant was a major limiting factor in establishing the college's budget. There was evidence that the college conformed to the Department's guidelines of a seven percent increase in the per capita cost.

The College Board and Programs

In Institution A, a formal structure had been established for the consideration of new programs and course development. An Academic Council was established to provide an opportunity for students, administrators, faculty members, and the board of governors to work together and with members of the community in the development, review and improvement of the educational opportunities offered by the college. There had also been created a Course and Program Development Department within the college to undertake the basic research and development necessary for new programs. The board of governor's Management Committee usually reviewed all programs and courses before they were placed before the board for approval.

Of the 131 items involving program approval and educational policy, which came before the board during the 1973-74 fiscal year,

108 (82.4 percent) were submitted through the Management Committee, 15 (11.4 percent) arose from outside the formal channels of the college, and 4 (3.1 percent) from the administration directly. The board approved 66 items (50.4 percent), and a further 11 (8.4 percent) were approved after amendment, while 37 items (28.2 percent) were received for information only. Thirteen items (9.9 percent) were tabled or referred back to the Academic Council for further consideration. Of the 131 items considered by the board, 105 (80.0 percent) were working policy matters concerned with approval of courses to be offered in the following year, and with arrangements for such courses, while only 26 (19.9 percent) were concerned with management policy decisions.

Seventy-nine of the items considered by the Management Committee were received from the Academic Council, although many of these were not concerned with educational programs. On the other hand, nine items which reached the board for decision without first going to the Academic Council were approved in principle and referred to the Academic Council for further consideration. During interviews in November, 1974, it was indicated that during 1973-74, the Management Committee of the Board of Governors had tended to operate along the same lines as the New Courses and Programs Review Committee of the Academic Council. The college had commenced in November, 1974, a complete review of its organizational structure and processes.

After a need for a new program had been identified letters of intent were sent to the Department of Advanced Education with the approval of the board. Once approval to proceed had been received

from the Department, the Course and Program Development Department of the college, in cooperation with the faculty concerned developed the proposal for presentation to the Department of Advanced Education.

This proposal was examined critically by the review committee of the Academic Council which made decisions on its curriculum content and its implications for the internal operations and organization of the college. Once the Academic Council had approved the program proposal, it was submitted to the Management Committee of the Board of Governors. The main concern of the Management Committee was with the place of the proposed program in the overall mission of the college and its implications for increased staffing and for funds required. The Management Committee's recommendation on a program proposal was usually given formal approval by the Board of Governors, which authorized the submission of the proposal to the Department of Advanced Education.

Of 11 letters of intent received from Institution A by the Department of Advanced Education and listed in the November, 1974, Status Report, only two, that for a certificate in Extended Care Nursing, and that for a diploma in Real Estate and Property Management were approved for proposal development. In three cases, the Department's decision was to advise the college not to proceed with the proposal; while in six cases the decision was to defer the preparation of the proposal as the area was under review by the Department. The Status Report also indicated that approval had been given for six programs to be implemented at Institution A. These included a program in Educational Management, which the minutes of the board meeting in August, 1973, showed was deferred by the Department because no budget

had been provided for it in 1973-74. Three others approved by the board in December, 1973, were also included. In April, 1974, the board received advice to defer further action on three other programs which the board had approved in December, 1973. It was also advised that role inconsistency challenges had been filed by both the institutes of technology in regard to the program for landscape planning technicians. This program had been included by the college in its mission statement as a proposed future development without any challenge from the Department at that time. Although the outcomes of the institutes' challenges was not recorded, it was reported in the interviews that the Department had upheld the challenge and had allocated the program to an institute of technology, even though all the developmental work had been done at Institution A after the professional body concerned had approached it to undertake the program because an institute could not satisfy its requirements.

The above evidence showed that the Department had rejected half of the proposals approved by the board during the period under consideration. This suggested that the board had not exercised constraint upon the administration or the faculty in regard to program development. The faculty's understandable drive to expand its activities had not been curbed by the board which had not rejected one proposal presented to it. There was no evidence that the board had taken the initiative in 1973-74 by setting priorities for program development, but had largely responded to initiatives from the faculty and administration in response to requests from other bodies.

Conclusion

An analysis of the data collected indicated that in Institution A the administration initiated action on budget allocation by gathering information from the divisions of the college regarding their projected financial needs for the 1974-75 fiscal year. As the budget was processed within the college, tradeoffs were negotiated so that the budget was pruned to an acceptable level and was largely "pre-formed" by the time it was presented to the board for its approval. The board's emphasis in financial matters was upon a relatively detailed supervision of the financial transactions of the college on a post hoc basis.

Although action on program development could be initiated at all levels of the college from the faculty to the board, information-gathering was handled by the faculty. The programs developed were thus dependent upon faculty support as they were processed through the faculty, the Academic Council and the Management Committee.

Decisions on program approvals were "pre-formed" by the time they were presented to the board for formal approval.

The Department of Advanced Education did not appear to have been influenced in its decision-making by the existence of the board. In fact, in some areas of program approval, its decisions favored the institutes (which did not have boards) rather than Institution A with its board. In the budget allocation, the board's decision conformed to the guidelines set by the Department.

In the two decision areas of concern in this study, budget allocation and program approval, the board of governors at Institution A

during the fiscal year 1973-74 was not greatly involved in decisions regarding college policy and priorities. This should not be interpreted to mean that the board had not previously established overall policies and priorities for the college, although there was evidence that in recent years the board had tended to respond to initiatives from the faculty and the administration rather than to create those initiatives.

III. INSTITUTION B

Establishment and Composition of the Board

Institution B was established in 1964 with corporate status under the provisions of the Public Junior Colleges Act, 1958-63, by seven school boards acting in cooperation with the Department of Education. Following grave administrative difficulties, the board of governors was dismissed and an administrator appointed by the Lieutenant-Governor in Council acting under his powers in the Colleges Act, 1969. A new board was appointed and took office in 1973; and a new principal was appointed in July, 1973. This board had the task of establishing new college policies and formulating the by-laws under which it would operate.

In November, 1974, when these data were collected, the board of Institution B consisted of five members appointed by the government (one of whom was the chairman), the president, a faculty member and a student member. Of the six male members of the board, two were in the fifty to sixty age group, two in the forty to fifty age group, one in

the thirty to forty age group, and one under thirty years of age; while one of the women was in the forty to fifty age group and the other in the thirty to forty age group. Six board members held degrees, including a medical practitioner, a lawyer, two housewives, the president and the faculty member. The other lay member was a businessman.

Prior to taking office, this board had worked with the administrator for a period, during which administrative guidelines had been set. It was understood by board members that their function was to establish policy, to exercise general oversight of the administration, to represent the public interest particularly in matters of finance, and to maintain liaison between the public and the college by responding to expressions of public opinion and presenting the college to the public. Board members sought to be sensitive to public concerns and to ensure that the college programs met the needs of the public. The board preferred to act as a committee of the whole, except in negotiations with the staff. When matters required a small group's attention such as for negotiations, a special committee was established for that occasion.

Actions Taken by the Board

From an analysis of the actions taken by the board in its meetings between July 1, 1973 and June 30, 1974, the results of which have been summarized in Table II, it was found that of 119 matters brought before the board, 36 (30.2 percent) directly concerned financial policy and five (4.2 percent) involved program development and educational policy. In terms of the level of decision-making, 80 items (67.2 percent)

were working policy matters; and only four (3.4 percent) were classified as legislative policy matters. Board members other than the president raised 42 items of business (35.3 percent); the administration 29 items (24.4 percent); committees presented eight items (6.7 percent); while 40 (33.6 percent) came from elsewhere.

When these 119 items were analyzed in terms of the action taken by the board, it was found that 83 matters (69.7 percent) were approved without amendment; 27 items (22.7 percent) were received for information; six items (5.0 percent) were tabled or referred to the administration for action; and only three (2.5 percent) were rejected completely. Because the board rarely operated through committees, there was a tendency for issues to be discussed in the board until consensus was reached; then a motion was passed expressing that agreement. Only one issue raised by a member was rejected, while the other two items rejected were introduced from external agencies.

The College Board and Finance

Financial matters were a major board consideration during the fiscal year of 1973-74, constituting directly 30 percent of the items handled by the board. Of the 36 finance matters dealt with by the board, 17 (47.2 percent) were raised by board members and 11 (30.6 percent) by the administration. Only two finance items were dealt with in committees, and six were introduced from external agencies.

Ten matters of finance (27.8 percent) were at the management policy level, and the remainder at the working policy level. The board had deliberately limited its involvement in routine financial

matters, and had instructed the administration to advise it only when unusual circumstances prevailed. Consequently, although the president received statements of receipts and expenditures twice monthly and a balance sheet (setting out assets and liabilities) once a month, these were not presented to the board or to a committee unless there was a need for a board decision. At its meeting in October, 1973, the board resolved to accept the spending authorization schedule proposed by the administration, with the proviso that capital expenditures exceeding 1,000 dollars were to be listed and presented to the board each month. The authorization schedule was required to operate the college's accounts, and only for large amounts and substantial capital expenditure was the chairman's signature needed. Implicit in this decision was the view that the board should not attempt to exercise post hoc surveillance over expenditure, but rather it should establish guidelines within which the administration would operate.

Internally, Institution B largely followed similar budgetary procedures to those adopted elsewhere. Each division chairman was required in consultation with his faculty to develop estimates for operating and capital expenditures in the 1974-75 fiscal year. Although a copy of the instructions given to the chairmen in 1973 was not available, a copy of similar instructions setting out a philosophy of budgeting that was distributed in November, 1974, was examined.

Those involved in budgeting were asked to outline their plans for the next fiscal year, to build their budgets around the expenditure codes with a detailed working paper to show how the sums were derived, and to maintain records of the changes in the expenditure items as the

budget was reviewed and modified. It was stressed that the budget should correspond to the plans made for the ensuing year, and that it should be possible to explain substantial deviations from the estimates for which it would be necessary to seek approval. The procedures adopted for preparing the budget for the 1974-75 fiscal year were approved by the board in November, 1973, when the 1973-74 budget and the corresponding expenditures were being reviewed.

The procedures required that the division chairmen were to prepare their operating budget estimates from enrolment projections prepared by the Director of Programs in October, and to submit them to the Director of Finance by the third week of November. During the next week, these estimates were reviewed by the chairmen and the Director of Programs so that they would have a clearer understanding of the items in the estimates, the arguments supporting them, and the priorities involved. The first draft of the college budget was completed by the Director of Finance in the first week of December, 1973. At this stage, the total budget for 1974-75 fiscal year, which was over 20 percent higher than the 1973-74 budget, was examined by the executive committee consisting of the President, the Director of Programs and the Director of Finance. Because the first estimates so grossly exceeded the guidelines established by the Department of Advanced Education, the executive committee examined the budget to determine the points at which reductions could be made and the implications of those cuts. After overlapping estimates had been eliminated, priorities were set and the divisions asked to prepare further estimates based upon 12, 15 and 18 percent increases from the

1973-74 budget, indicating what would have to be deleted in order to achieve each level of expenditure. This required negotiations and discussions between the different divisions of the college throughout December, 1973, and early January, 1974.

A similar procedure was followed in preparing the capital budget for renovations and maintenance, although in this case the total amount was set by the Department's policy on capital budgets. The chairmen were required to review the five-year capital expenditure plan which covered building maintenance and renovations, and the purchase of equipment. Priorities for expenditure were then set by the executive committee in consultation with the chairmen, and the final budget prepared by the Director of Finance.

The board was advised in February, 1974, of the implications involved in adopting a budget at each of the levels of increase indicated above, and of the implications of the capital budget. The board did not set priorities between programs, but was concerned to establish the reasonableness of the estimates at each level and the implications of the budget for the college as a whole. At its meeting on February 20, 1974, the board resolved to direct the administration to submit to the Department of Advanced Education a budget based upon an increase of 15 percent in expenditures in the operating budget, and to provide in the 1974-75 capital budget an amount of moneys sufficient to provide for a students' lounge. This resolution confirmed decisions taken previously by the board in committee and communicated to the Department in a letter dated January 29, 1974.

In its letter of January 29, 1974, Institution B indicated the premises used in preparing the budget, the commitments it had in regard to salaries, enrolment projections, a rationale for special grants, and comments on increases due to inflation. The college had projected enrolments of 900 full-time equivalent students compared with 804 in 1973-74, and submitted data to support this projection. It estimated that its total expenditure for the year ending June 30, 1975, would be 2,390,966 dollars; while its revenues would be 180,000 dollars from student fees, 174,000 from Canada Manpower, and 25,000 dollars from other sources, giving a net expenditure to be supported by provincial grants of 2,011,966 dollars.

The Department of Advanced Education considered that the enrolment projections were optimistic and reduced the basis to 875 full-time equivalent students. It also removed the request for 45,000 dollars as a special grant for college off-campus activities from the operating budget for consideration as a separate issue (upon which negotiations were still continuing in November, 1974). The Department approved a grant of 1,905,076 dollars and gave approval for another 18,000 dollars to be released from trust funds for program development. The Department's decision was based upon a seven percent increase over the 1973-74 budget after a special grant for program development had been deducted and a proportional increase had been provided for additional enrolments. This decision was transmitted to the college in a letter from the Minister of Advanced Education and received by the board at its meeting on March 20, 1974. This decision required a further revision of the college budget, which was

approved by the board at its meeting on June 12, 1974.

The enrolments at Institution B in Fall, 1974, proved to be substantially above the original projection of 900, being in excess of 1,200 full-time equivalent students. By November, 1974, it was obvious that the college would be in financial difficulties as a result of these unanticipated enrolments. Although the Department stated in its guidelines that the grant would operate provided the actual enrolments did not vary more than ten percent from the projected enrolments, it did not guarantee to adjust its grant if enrolments exceeded the margin or if costs increased. In November, 1974, negotiations were continuing between the Department and the college, which was seeking an additional grant.

The Department of Advanced Education's policy was not to penalize colleges which showed a surplus in any year, since to do so would only encourage unnecessary expenditure. On the other hand, during years when there was a deficit it tried to negotiate a settlement in which the college met its overspending from accumulated surpluses or by a realization of assets, or reduced its expenditure by deferring some commitments.

The College Board and Programs

In November, 1974, Institution B was in the process of establishing a College Council consisting of board, faculty, student and administration members to handle the internal affairs of the college, including the examination of proposed new programs. During the 1973-74 fiscal year, however, these matters were largely handled

at the administration level with formal approval by the board. The college's mission statement had been drafted by the Director of Programs and with the board's approval had been submitted to the Department of Advanced Education as required. This statement had been based in part on Bosetti's recommendations for Institution B in Master Plan Number One (1972).

The college's mission statement in October, 1973, listed all the programs then being offered and a further 34 programs which could be developed in the future. It also indicated an intention to expand transfer programs for the universities and the institutes of technology. Among those listed for future development were programs for teacher aides, rehabilitation, dental hygiene, and early childhood education. These have since been approved by the Department of Advanced Education, except that the college has been advised to defer the preparation of a proposal for a program in dental hygiene.

At Institution B, proposals for new programs have originated from faculty, administration and board members, as well as in response to enquiries from the general public. Once a new program had been suggested, it was examined by the college development officer in consultation with the chairman and faculty of the division concerned. The Director of College Programs Services in the Department of Advanced Education was asked whether the Department was likely to support such a program if it were developed. If it was decided to proceed with proposed programs, the college development officer and the faculty concerned undertook the necessary research and produced a letter of intent. This was discussed by the President and the

Director of Programs; and the board was advised of the intention to apply for a new program. At its meeting on February 20, 1974, the board resolved to receive as information the five program proposals presented by the Director of Programs, and to authorize the administration to continue its negotiations with the Department of Advanced Education regarding those programs.

Once the Department had advised the college to proceed with the development of proposals, an advisory committee for each program was established and the faculty and development officer in consultation developed the formal proposal. The proposal for the program for Teachers' Aides was taken as an example of the proposals prepared at Institution B. The proposal consisted of an 18-page document, which set out the Name of the Program and the credential to be awarded (Teachers' Aide Certificate), a timeline indicating that approval would be required in March if the program was to commence in September, 1974, an overview of the program followed by detailed discussion of its curriculum and a statement of the expected benefits. It was estimated that the capital costs would be 4,300 dollars for books and other materials; and that the operating costs would be 30,515 dollars in the first year rising to 62,960 dollars in the fifth year. Provision was made for the establishment of a continuing advisory committee; and a letter from The Alberta Teachers' Association was appended in support. The proposal was thoroughly discussed and examined by the President and the Director of Programs before it was presented to the board for formal approval. Although the proposal document was available to board members if they wished to see it,

the presentation to the board consisted of a two-page summary, setting out the purposes, general details of the program and its benefits, and details of costs and staffing. When the proposal had received the board's approval it was submitted to the Department of Advanced Education for its approval and financial support.

It was shown that during the 1973-74 fiscal year the board of Institution B handled only five matters involving program development and educational policy; and that it relied heavily upon the administration for its oversight in these matters. Four of the five items were presented to the board by the administration, while the fifth was a complaint from outside upon which it was decided to take no action. Three items, including two at the management policy level, were approved by the board, and the other two were received for information.

Conclusion

An analysis of the data indicated that in Institution B the administration initiated action on budget allocation by establishing procedures for preparing the budget with the approval of the board. By following these procedures the division chairmen gathered the information necessary for preparing the 1974-75 budget. As the budget was processed within the college, tradeoffs were negotiated by the faculty and the administration so that the faculty and administration decided the priorities for any reductions in the budget. In this college, the administration provided the board with three alternative budgets so that the decision was only partially "pre-formed" before it

was placed before the board for its final decision. The board's emphasis in financial matters was to determine the guidelines for the administration and to rely upon the administration to supervise the detailed and routine financial transactions.

Although action on program development was initiated at all levels of the college in response to the perceived needs of the community, information-gathering was handled by the faculty. This meant that program development was dependent upon support from the faculty. Decisions regarding new programs were made at the administration level during 1973-74, although at the end of 1974 action was underway to establish a college council as a forum for such matters. The board's function in program approval was to give formal approval to new programs with the advice of the President.

The Department of Advanced Education did not appear to have been influenced in its decisions regarding budget allocation by the existence of the board, because the Department used its own criterion of a seven percent increase to determine the final budget allocation. In terms of program approval, Institution B had one proposal rejected and two deferred, and only four approved, which suggested that the board had not greatly affected the outcome.

The board of governors of Institution B had given its attention, particularly in regard to matters of finance and program development, largely to policy determination and had left the detailed management of the college to the administration. On the other hand, most of the board members had been in close contact with the college and had been watchful of any possibility of a recurrence of the college's former

problems. The main influence of the board in the matters investigated had been providing negative feedback upon the college's activities rather than upon initiating new developments.

IV. CHAPTER SUMMARY

When the influence of the boards in the two colleges investigated in Alberta was compared, it was found that the board of Institution A exercised closer supervision over the activities of the college than did the board of Institution B. In the same period of time, the board of Institution A handled 548 items compared with 119 items placed before the board of Institution B. Furthermore, many of these items in Institution A (72 percent) were first considered by a committee of the board before reaching the board, while in Institution B very little of the board's business was first considered by a committee. Again, in Institutions A 72 percent of the matters handled by the board were routine working policy matters, while in Institution B 67 percent of the items were working policy items. Thirty percent of the matters considered by the board of Institution B were directly concerned with finance, while in Institution A only 21 percent directly involved finance; in Institution A, 80 percent of these were at the working policy level, while in Institution B 72 percent of them were at that level.

Despite the more intensive supervision given by the board of Institution A, there was no evidence that it had exercised greater influence than the board of Institution B in regard to budget allocation and program approval. Neither board appeared to have established

priorities for program development during 1973-74; instead, each had allowed each division of the college to develop its own initiatives and to expand as it perceived the public demand. In Institution A the board accepted the priorities set by the faculty and the administration in preparing the budget and approved a budget that conformed to the guidelines set by the Department of Advanced Education; while in Institution B, the board directed the administration to submit a budget somewhat higher than the Department's guidelines after selecting one of three alternative budgets prepared by the administration. The Department's response to these budgets was determined on the basis of its own formulae rather than by the influence of the boards concerned.

In regard to program approval, the Department had not been influenced by the boards' approval of programs, but often had reversed the boards' decisions. In one case, it had even re-allocated a program developed within a college to an institute of technology.

On the other hand, Departmental officers considered that the boards acted as a constraint upon the college administration, particularly in regard to expenditure by limiting overspending (which was allowed to occur in the provincially administered institutions). The overspending of the provincially administered institutions has been examined further in Chapter VI, while an overall assessment of the influence of boards has been undertaken in Chapter VII.

CHAPTER V

COMMUNITY COLLEGES IN BRITISH COLUMBIA

I. THE PROVINCIAL PERSPECTIVE

In the Province of British Columbia, community colleges were established under the provisions of Part XI of the Public Schools Act, 1960-74. Section 251 provided that a school board, or two or more boards, within an area defined for the purpose by the Lieutenant-Governor in Council, could establish and operate a college in which first and second year university courses, other post-secondary instruction and training, and other adult courses, could be offered to persons over the age of 15 years.

The Act expressly stated that such colleges are created under the jurisdiction of school boards, which under Section 89 were bodies politic and corporate. Sections 252 and 253 indicated that all property, real and personal, remained vested in the participating school boards, and that the boards' powers, duties, responsibilities and liabilities extended to the college, notwithstanding the delegation of authority to a college council. Once a number of school boards had agreed to participate in the operation of a college, the assent of the majority of those boards was binding on all the boards, and where the vote of the boards was equally divided on an issue the minister's decision was final. Furthermore, no board, having once entered into such an agreement, could withdraw from its obligations

and liabilities without the consent of the other boards, and the approval of the Lieutenant-Governor in Council. The provisions of the Act regarding the purchase and disposal of land, and for the financing of capital expenditures by a board, extended to the college; and the participating boards were legally responsible for raising and repaying any necessary loans. Thus, in British Columbia, the colleges were community colleges in the sense that they were owned and administered by the participating school boards within the community served, and that, although subject to provincial jurisdiction and financial support, they were primarily in law responsible to the electors of the boards of the school districts participating. They did not, however, have corporate status, as did the colleges in Alberta, or as of July, 1974, the British Columbia Institute of Technology.

The participating boards were required by the Act to delegate authority to a college council comprised of:

- (a) three members appointed by the Lieutenant-Governor in Council;
- (b) school trustees appointed by the participating boards, to a number determined by the minister; and
- (c) other members appointed by the Lieutenant-Governor in Council as representatives of non-sectarian and non-political interests, to a number not greater than half the number of school trustee members.

The members appointed by the boards held office for a term of one year, although they could be reappointed by the boards, but there was no limitation on the term of members appointed by the government.

The provision for the inclusion of a District Superintendent of Schools was repealed in 1973. The chairman of the council was appointed by the council and had the same voting rights as other members, but the principal, who was the chief executive officer of the council, and

the bursar, who had the duties of secretary-treasurer, were not members of the council, although they were required by the Act to attend council meetings. Councils were required to meet at least every three months and to forward copies of the minutes to the participating school boards and the Department of Education.

The council was empowered and obliged to manage and administer the property, revenue, expenditures, business and affairs of the college, and to do all things necessary for the benefit and advancement of the college. Although the college was not a corporate body, it was empowered to execute documents so that although a college could not hold property, it was able to enter leasing agreements, without liability to the individual council members.

The responsibilities of the college council in matters of finance were defined in detail in sections 261-8 of the Act. Under the Act, the council was required to compile its budget for the ensuing fiscal year, which ran from April 1 to March 31 of the next year, by November 15 and to submit it to the Department of Education and to the participating boards by December 1. This budget was required to comprise:

- (a) detailed estimates of expenses for administering, operating and maintaining the college;
- (b) detailed estimates of expenses for capital expenditures and debt amortization;
- (c) detailed estimates of revenue accruing from sources other than provincial grants and local taxation as specified under the Act;
- (d) the estimated surplus, if any, accruing to the council in the current fiscal year; and
- (e) the estimated deficit, if any, that the council might incur in the current fiscal year.

The budget estimates were reviewed by officials of the Department of Education in consultation with the college council and the participating boards. As a result of this review, the budget could be amended or reduced by the minister and the budget approved by the minister was binding upon both the college council and the participating boards. The council was not permitted to incur liabilities or make any expenditure beyond the limits of the budget as approved, without the minister's approval.

The Act provided that not less than 60 percent of the operating expenses for each college would be met from provincial grants to the participating boards, while the participating boards were required to raise the remainder, after allowing for revenues from fees and services, by means of local taxation levied at a uniform rate throughout the participating school districts, unless the boards agreed otherwise.

Because, under the Act, the property of a college was held in the collective name of the participating boards, each participating board was responsible for raising loans for its share of any capital expenditure by the way of bylaws. Prior to the passing of the Public Schools Amendment Act, 1974, such bylaws required the assent of the owner-electors of the school district. As a consequence of the amendments, the previous impediments to establishing colleges in British Columbia, namely the need for a plebiscite to approve the school district's participation in a regional college and for a referendum to give assent to the money bylaw, did not exist at the time of this study. The minister was authorized to pay to the participating boards a capital grant to meet completely the debt

amortization of any loans approved for capital expenditure on a college.

The Act also empowered the government to ensure that the necessary courses were provided without undue duplication and to allocate courses between the colleges. In 1971, the minister established the Provincial Consultative Committee for Technical, Vocational and Other Career Education, which was responsible for advising the minister regarding the approval and location of new programs. Under the Medical Centre of British Columbia Act, 1973, the board of the British Columbia Medical Centre has been given overriding power to coordinate and integrate all educational programs in the health field, including courses for nurses and para-medical personnel who were educated within the colleges and the institute of technology.

According to the Assistant Superintendent of Post-Secondary Programmes, the colleges were asked to submit provisional budget estimates by the beginning of July each year as a basis of developing the Department of Education's estimates for the Treasury. The provisional estimates were discussed with the college administration and council in August to assess the validity of these estimates. As a result of these discussions the Department produced its budget requests which were submitted by the Deputy Minister of Education to the Deputy Minister of Finance. The Treasury Department combined the Education estimates with those of other departments and as a result of comparisons with the anticipated provincial revenues established the level of expenditure for each department. The final decision was

made by the Treasury Board which consisted of the Premier, as Minister of Finance, and three other ministers, and which prepared on behalf of the Government the budget, which was presented to the provincial Legislature with the appropriation bill each February. Once the budget was approved by the Treasury Board, the Department of Education was able to establish grants to be made for various purposes, including the support of the colleges.

In the meantime, each college had produced its final budget estimates and had submitted these to the Department before December 1, as required by the Act. As a result of the Government's budget decisions, it was usually necessary to make some cuts in the estimates submitted by the colleges. The Department had no firm criteria upon which to base these allocatory decisions, but was dependent upon the professional judgment of its officers as to where cuts should be made, and as to the priorities for development and expansion. Contrary to what was suggested by two institutions studied, the Department did not apply the formula of one faculty member for every 20 full-time equivalent students in academic courses, or for every 15 full-time equivalent students in vocational courses.

In practice, the Department of Education made capital grants to meet the whole of the debt service costs of the colleges, and grants for the full operating expenses of programs formerly within the vocational schools which had been melded to the colleges and of such programs as aviation and nursing because these were seen as a provincial responsibility. For the remaining programs, the Department made grants amounting to 60 percent of approved operating expenses so that the

boards had to raise the remainder from local taxation after allowing for revenue from fees. Because of these complicated arrangements, it was necessary for the Department to examine each item in the budget in order to determine the proportion which would be funded completely by the province and that which would be shared so that the total grant could be calculated.

In this section, attention has been given to the budgetary process and to program approval from the provincial viewpoint, as these were established from the legislation and by Departmental practice. In the remaining sections of this Chapter, these processes and their final outcomes have been examined from the perspective of the college councils and the administration of the two colleges studied in British Columbia.

II. INSTITUTION C

Establishment and Composition of the Council

Institution C was established in 1969, following the referenda required under the provisions of the Public Schools Act operative at that time. Initially the owner-electors of seven school districts assented to participate, although eight school boards had been involved in the negotiations to establish a college. Later, the eighth district also assented to participate.

Under the provisions of the 1973 amendment to the Public Schools Act, the college council for Institution C consisted from February, 1973, of eight school trustees appointed by the eight participating

school boards and seven others appointed by the Lieutenant-Governor in Council, one of whom later resigned. Of the remaining 14, eight were men, one of whom was in the twenty to thirty age group, two in the forty to fifty age group, three in the fifty to sixty age group, and two in the over sixty age group. Of the women members, two were in the thirty to forty age group, three in the forty to fifty age group, and one in the fifty to sixty age group. Nine of the members held university degrees, including two medical practitioners, a dentist, three business executives and two associated with education. Of the remainder, three were housewives, one an owner of a small business, and another was prominent in local government.

During the 1973-74 fiscal year the council consisted largely of new members because of the new government appointments and some changes among the school trustee members. One of the school trustee members was not only new to the council but also a newly elected school trustee. In the early part of 1973, there was a period of settling down while new members developed an understanding of their functions in the management of the college. There was reported to be a feeling on the part of some that it was necessary to curb the power of the college administration, which one administrator described as "administrative arrogance."

To assist the new council to appreciate better its functions, two workshop sessions were planned by a committee of the council in consultation with the administration. In the first workshop, the emphasis was on the functions of the council and the administration respectively in the total management of the college. In the second,

college faculty introduced the council members to the programs offered by the college, and to possible directions for future development.

To facilitate the business of the council, three committees had been established; the Finance Committee (which also acted as the negotiating committee with the staff and faculty associations), the Sites and Facilities Committee, and the Curriculum Review Committee. The contributions of these committees have been examined in the discussion of the functions of the council in budget allocation and program approval.

Actions Taken by the Council

From an analysis of the actions taken by the council in its public sessions between April 1, 1973 and March 31, 1974, the results of which have been summarized in Table III, it was found that of 357 matters brought before the council, 57 (16.0 percent) directly concerned financial management and 28 (7.8 percent) involved program development and educational policy. In terms of the level of decision-making, 271 items (75.9 percent) were working policy matters, 84 (23.5 percent) management policy, and only two (0.6 percent) were legislative policy items, both of which had originated outside of the college. One hundred forty-one matters (39.5 percent) were brought before the council by the college administration, and a further 52 (14.6 percent) came from committees, while 113 matters (31.6 percent) were raised by individual members of council. Of the latter items, 103 were concerned with matters other than finance or programs.

Table III
ANALYSIS OF THE ACTIONS OF THE COUNCIL OF INSTITUTION C

Decision Areas		FINANCE				PROGRAM				OTHER				TOTALS				GRAND TOTALS
Source		C'tee Mbr		Adm. Ext.		C'tee Mbr		Adm. Ext.		C'tee Mbr		Adm. Ext.		C'tee Mbr		Adm. Ext.		
Action	Level																	
Approv.	1																1	
	2																2	
	3	9	6	4	2	2	13	10	1	11	17	18	2	48				
Approv. + Amend.	1	20		1	1	1	52	23	18	21	53	24	18	116				
	2																	
	3	2		2	5	1	3	1	1	2	1	5	1	7				
Reject	1																15	
	2																	
	3					1	1				1		1	2				
Table. Defer. Refer.	1																	
	2																	
	3			1	1		3	4	2		3	4	2	9				
Request Inform.	1						1	5			2	6		8				
	2																	
	3	2					2	5	1		2	5	1	8				
Rec'd for Inform.	1						10		4		13		4	17				
	2																	
	3	6																
TOTALS	1	7	1	1	4	2	4	19	60	14	6	1	3	10				
	2																	
	3	15	6	4	5	1	2	20	22	2	17	24	33	84				
GRAND TOTALS	1	29	2	1	1	2	5	83	96	36	35	89	108	271				
	2																	
	3	44	2	7	4	3	7	103	118	44	52	113	141	357				

When the 357 matters were analyzed in terms of the action taken by the council, it was found that 165 items (46.2 percent) were approved without amendment, and a further 22 (6.2 percent) were approved with some amendment, while 125 items (35.0 percent), including 66 from the administration, were received for information only. Only two items (0.6 percent) were rejected outright by the council, while 17 (4.8 percent) were tabled, deferred or referred back to the initiating group.

The fact that over half the matters brought before the council were approved and less than one percent were rejected should not be interpreted to mean that the council gave almost automatic approval on a pro forma basis. If the administration and the committees were operating effectively, there should be little reason for the council to reject their proposals. The existence of the council did, however, help to ensure that the proposals put before it were properly investigated and developed. It was probably more significant that the council had given so little attention to matters of legislative policy, concerned with the mission and priorities of the college, and had concentrated mainly upon management policy (internal structures and relationships) and working policy (implementary decisions).

The College Council and Finance

The Finance Committee appeared to be the most active committee of the council during 1973-74. Of the 57 matters regarding finance placed before the council, 44 (77.2 percent) arose from the Finance Committee, while 24 (42.1 percent) of the financial items were classified

as management policy, compared with the overall proportion of 23.5 percent. Thirty-seven (64.9 percent) of the finance items were approved by the council, with or without amendment, and 18 (31.6 percent) were received for information.

Besides the salary negotiations which occurred during the 1973-74 fiscal year, the Finance Committee was concerned mainly with the approval of expenditures and with the formulation of the budget. Although the budget estimates were prepared by the college administration, the Finance Committee and finally the council were responsible for their final form and approval.

In preparing the 1974-75 budget estimates, the college administration first projected the anticipated enrolments for each of the college departments, and a provisional budget was prepared on the basis of a projected enrolment of 2,800 full-time equivalent students. Each department director in meetings with the faculty of his department prepared budget estimates for the department. All these estimates were assembled by the Assistant Bursar, and reviewed by the executive committee, consisting of the Principal, the two deans, the Bursar, the Assistant Bursar and the 12 directors. Within the budget there were certain items, such as the costs of debt servicing and salaries for existing staff, which were virtually fixed by previous decisions. It was generally accepted within Institution C that the staffing ratio should be one faculty member for 20 full-time equivalent students in academic courses and for 15 full-time equivalent students in vocational courses. The only area where substantial alterations could be made was the expenditures on supplies. In order

to achieve budget estimates which would fall within acceptable limits, the members of the executive committee negotiated tradeoffs between departments so that expenditure on less pressing items was deferred. When an acceptable provisional budget had been prepared by the executive committee, it was submitted to the Finance Committee for its consideration.

The Finance Committee thoroughly examined the provisional budget in three meetings with the Principal, the Bursar, Assistant Bursar and Comptroller of the college. Among the matters questioned were the projected staff increases and such items as printing costs. At some points, the committee was concerned that the estimates were too high and at others too low. As a result of these review meetings, the Finance Committee became thoroughly familiar with the basis of the budget estimates, and submitted the estimates to intensive scrutiny, although few changes were made.

Following the Finance Committee's review of the budget, the provisional budget estimates were submitted to the full council in July, 1973, and copies sent to each of the participating boards and to the Department of Education. The provisional budget was discussed and approved by the council at a special meeting for this purpose on August 23, 1973. The council met in closed session for this purpose because the budget contained provisions for salary increases which had still to be negotiated and because there were other confidential matters such as the costs of security to be considered.

At Institution C the estimates had rarely been questioned by the participating school boards, for whom the college budget represented

only a small proportion of the total expenditure. When the local share was distributed between the participating school boards in proportion to the assessed property valuations of each district, as provided in Section 266 of the Act, each board's share amounted to from four to 26 percent of the total local income, because of differences in the size of the school districts.

At a special meeting with representatives of the Department of Education (the Director of Finance and Administration, and the Director of Academic Programmes, now the Assistant Superintendent of Post-Secondary Programmes) on August 27, 1973, the chairman of the Finance Committee with other council members and the Principal, Bursar and Assistant Bursar, presented the council's provisional budget estimates. The purpose of this meeting was to allow the officers of the Department of Education to gain further information on the estimates and to react to particular submissions contained in the estimates, which showed an overall increase of 28 percent on the previous year. The estimates provided for a nine percent increase in salaries, which was considered to be a little low, but the college was assured that the Department would provide for any reasonable increase beyond that figure. In concluding the meeting, the Departmental officers commented that the college's estimates were very reasonable and well-prepared.

In a letter dated November 1, 1973, the Department of Education indicated that the total increases requested by the nine colleges amounted to 15 million dollars more than the budgets approved for the previous year. Institution C was asked to further examine certain items, including total salaries, the proposed level of support staff

and temporary assistance, and to exclude honoraria for council members and the provision for new programs (which would be financed entirely by the Department through a separate grant).

The council acknowledged the points raised by the Department in a letter dated November 23, 1973, but argued that the salary costs were realistic. The council stressed that the estimates had been thoroughly examined by the Finance Committee which had already made all possible economies. It was agreed to delete all the items requested, although the provision for members' honoraria was replaced with a smaller amount for members' expenses.

The final budget estimates were submitted to the Department at the end of November, 1973, with the note that they did not provide for the Nursing program or for other new programs under discussion; and that the projected enrolments had increased from 2,800 to 3,127. The Departmental forms for this purpose required details of the 1973-74 gross budget, the preliminary budget for 1974-75, and the final budget estimates for the 1974-75 fiscal year, showing an itemized total operating budget, with separate headings for ancillary services, such as the bookstore, and for debt services. Details have been summarized in Table IV, which showed that it had been necessary in each section to increase the final budget estimates beyond those in the preliminary estimates. It was estimated that 291,508 dollars would be received in revenue to reduce the provincial and board share of expenditure, and 469,050 dollars to reduce only the board share. Income from ancillary services was expected to be 149,742 dollars, while the deficit from 1973-74 for debt services was anticipated to be 108,717 dollars.

Table IV
A SUMMARY OF THE ESTIMATES FOR INSTITUTION C

Account	Gross Budget 1973-74	Preliminary Estimates 1974-75	Final Budget 1974-75
Total Operating	4,635,605	5,864,495	6,032,435
Ancill. Services	147,700	133,920	147,050
Debt Services	840,089	1,040,565	1,106,875
TOTAL BUDGET	5,623,396	7,041,980	7,286,360

At the regular meeting of the council on March 21, 1974, the chairman of the Finance Committee reported that at a meeting with officials of the Department of Education on March 14, 1974, the college had been advised that Institution C's operating budget had been reduced by 159,000 dollars, which was reported to be the third lowest reduction among the nine colleges. The total government share payable, including Debt Services, would be 4,139,753 dollars (a 33.3 percent increase over the 1973-74 budget); and the total share payable by the participating school boards would be 2,188,724 dollars (a 16.5 percent increase). This budget was based on a Fall 1974 enrolment of 3,127 full-time equivalent students and a nine percent increase in salaries. The Department of Education was prepared to receive a further estimate to provide for changes in either of these factors caused by a budget over-run. The Department had also reserved 240,000 dollars for funding the proposed nursing program if this was approved. The council therefore

resolved to adopt a final budget providing for a total reduction of 159,000 dollars made up of 112,205 dollars in Instruction, 33,810 dollars Library, and 12,985 dollars Student Services, to give a total budget of 7,127,360 dollars. These reductions were made on advice from the administration given through the Finance Committee.

From the evidence contained in the minutes of council meetings and the information gained in interviews with the administrative staff involved, it was concluded that the Finance Committee had been particularly active in the financial management of Institution C. Without interfering in the internal operations of the college, the committee had maintained an oversight over the expenditures of the college, and in particular gave very careful consideration to the budget estimates for the 1974-75 fiscal year.

The chairman of the Finance Committee, with the advice of the college administration, had given active advocacy for the college's estimates in discussions with the representatives of the Department of Education. His knowledge and understanding of the budget convinced these officers that the council had thoroughly examined the budget before approving it.

The College Council and Programs

During the 1973-74 fiscal year, the council of Institution C was somewhat less active in the development of educational programs. Initially, it had been felt by some members of the council that the council should exercise close scrutiny over the format and content of college programs, but the minutes of the meeting on August 16, 1973,

when the formation of a Curriculum Review Committee was discussed, recorded that it was "generally agreed that the purpose of the Committee would be to review the various programs in total on an annual or period basis. The intent [was] not to establish a duplication of the Faculty Curriculum Committee." This Curriculum Review Committee met rarely during the 1973-74 fiscal year, and brought only one matter before the council.

Of the 28 items regarding programs which came before the council, 16 (57.2 percent) came from the administration, eight (28.6 percent) from individual council members, and three (10.7 percent) from elsewhere. Ten (35.7 percent) of these were at the management policy level, with one being received for information, and nine being approved for implementation. Of the 18 program items at the working policy level, seven received approval; one was referred back to the administration; and eight were received for information. Of the three items received from elsewhere, one was rejected and two received for information.

The resolution of the council regarding the program for a study on criminal justice which was passed at its meeting on May 3, 1973, showed the council's emphasis. It read:

THAT council approve in principle the proposed programme and that council receive further information which would include curriculum vitae of the personnel involved, an estimated cost structure, and an assessment of library resources and staff requirements.

Although the council may have considered the content of the program, it appears that the emphasis was placed upon the functions of the program and the resources it would require, which are questions of priorities in resource allocation rather than educational content.

According to the Dean of Curriculum, who worked closely with the Curriculum Review Committee, this committee had been more active since April, 1974; on the other hand, the Faculty Curriculum Committee had been disbanded because it had been considered ineffectual within the bureaucratic structures of the college. Originally, the Faculty Curriculum Committee consisted of the directors who examined new programs; gradually its membership had changed to faculty at the instructor level; but its role had always been advisory to the executive committee which made decisions regarding programs. The Dean of Curriculum had de facto powers of veto, since it required his approval for a program of study to be advertised or for admissions to be accepted by the Director of Admissions' staff.

In late 1974, each director had established curriculum committees to examine and develop programs in his department. The Dean of Curriculum considered that this more effectively involved the faculty in program development; but that there remained a need for a curriculum management system to coordinate the developments which were occurring.

The development of the new Department of Health Services was cited by the Dean of Curriculum as an example of program development. From its inception the college had been examining the possibility of entering the field of nursing education, and had been in discussions with the Registered Nurses Association and the Registered Psychiatric Nurses Association. In 1972, the council had approved the application of the college to the Department of Education to offer basic diploma programs in general and psychiatric nursing, although at that time the college did not have personnel qualified to develop the programs.

The British Columbia Medical Centre, following its establishment in 1973, adopted a philosophy of integrated training for the various health professions. This influenced Institution C to consider a health services program rather than limiting the program to nursing. The first submissions on this matter were referred back by the council for further consideration. At the May, 1974 meeting of the council the Principal recommended that a new Department of Health Services be established; that an acting chairman be appointed; and that the executive committee prepare an operating budget for the fiscal year 1974-75 and 1975-76, and a capital budget for 1975-76. The council was concerned about the necessity of establishing a new department and about whether other institutions were following the same pattern. The council resolved, however, to approve further development of the project and to require the administration to report on financing, structuring and implementing the proposed new department and program.

At the next meeting of the council in June, 1974, an eight-page document setting out the background to the proposal, its philosophy, enrolment projections, required staffing, capital budget implications, capital requirements, operating budgets, and a program for its implementation was presented to the council. The council resolved to establish the Department of Health Services, with an initial emphasis on nurse education; and to appoint the first chairman from the existing college administration for one year.

While the matter was being considered at the level of the college council, informal contacts had been made with the British Columbia Medical Centre and with the Superintendent of Post-Secondary Programmes

in the Department of Education to ensure that if the proposal gained the council's approval it would be acceptable to those who would have final approval and would provide the funds. Once the council's approval had been given, approval was quickly obtained from the other bodies concerned, and the necessary appointments made.

By November, 1974, the Dean of Curriculum had actively involved the Curriculum Review Committee in evaluating new program proposals, so that the committee was concerned with the advocacy of such proposals before the council. Among the matters being considered by the committee in November, 1974, were an Educational Master Plan of the physical facilities required to implement the college's educational program; the management of curriculum development and change; and the future educational development of the college. Thus the Committee was being asked to consider very seriously the future educational policies of the college and to give direction to the efforts of the college faculty.

Conclusion

Action on budget allocation in Institution C was initiated by the administration, which requested the department directors to provide estimates of their budget requirements for the 1974-75 fiscal year on the basis of enrolment projections prepared by the administration. The directors established the priorities for their departments and negotiated within the executive committee in order to achieve their budget aims. By the time the budget estimates were presented to the Finance Committee, the decisions had largely been "pre-formed"

by the faculty and the administration. Although the Finance Committee carefully scrutinized the budget estimates, it made few changes to the budget which was then approved by the council. The participating school boards did not require any changes, but the Department of Education reduced the college's final estimates by 159,000 dollars and made the decisions regarding the sharing of the costs between the province and the school boards.

The council of Institution C was not actively involved in program development during the 1973-74 fiscal year; program initiatives came largely from the administration and the faculty. Information was gathered by the faculty and the administration which determined the new programs which would be proposed to the council. Although the decisions regarding the format and content of the proposed programs were largely "pre-formed" before being presented to the council, the council gave very careful consideration to the financial and organizational implications of approving such programs. By November, 1974, the Curriculum Review Committee of the council was actively involved in reaching decisions regarding the educational policies of Institution C.

From the interviews, it was apparent that initially the administration had been concerned over what it perceived as council interference in the internal affairs of the college, while new members of the council felt that the council had to regain control of the college from the administration. By November, 1974, both the administration and the council had developed an appreciation of each other's functions in the governance of the college, with the committee structures

stressing the role of the council in establishing priorities for the development of educational programs and the consequential priorities for the allocation of resources. In this process, the council committees would devote less attention to detailed supervision of the individual actions of the administration and give more attention to the creation of policy for the college.

III. INSTITUTION D

Establishment and Composition of the Council

Institution D was established in 1964 by five school boards representing a rural region. Following the 1971 decision of the government, a vocational school and a school of art in a nearby town were melded with Institution D, although the vocational programs of those institutions continued to be funded completely by the province.

From February, 1974, the college council consisted of seven trustees (two from each of the larger districts and one from each of the remaining three school districts) and six other members appointed by the Lieutenant-Governor in Council. Four council members were women, of whom two were in the thirty to forty age group, one in the fifty to sixty age group and the other in the over-sixty age group. Of the nine men, three were over sixty years of age, two were in the fifty to sixty age group, one in the thirty to forty age group, and one under thirty years of age. Four council members held university degrees, including two who were in education and one who was a professional engineer. There were four in managerial positions,

three in independent businesses, two housewives, and another person in engineering.

The council of Institution D perceived itself to be representative of the school boards and to be responsible through the school boards to the electors of the participating school districts. In their view, the minutes of the council meetings were records belonging to the school boards and could only be disclosed by the boards. This view has persisted, even though the membership of the council has been widened with additional government appointed members. A motion to make the minutes public, after the deletion of confidential matters, was tabled at the meeting on December 13, 1973, pending a report to the next meeting by the school trustee members of council, but the matter has not been raised again. It therefore required a special resolution of the council to enable the minutes to be examined for this study.

In order to facilitate its business, the council established five committees, including a Finance Committee, a Facility Planning and Maintenance Committee, and a Program Planning Committee whose operations were relevant to this study. The other two were the Personnel Committee and the Union Liaison Committee. Almost all of the matters coming before the council were passed through a committee first.

Actions Taken by the Council

Table V shows that from an analysis of the actions taken by the college council between April, 1973, and March 31, 1974, of 276 matters

Table V

ANALYSIS OF ACTIONS OF THE COUNCIL OF INSTITUTION D

Decision Areas	FINANCE			PROGRAM			OTHER			TOTALS			GRAND TOTALS
	Source	C'tee	Mbr	Adm.	Ext.	C'tee	Mbr	Adm.	Ext.	C'tee	Mbr	Adm.	
Action Level													
1													
2													
3													
Approv.	9	1				2	1			8	3	6	
	34	3	1			3				113*	8	3	
Approv.													
+													
Amend.						1				1	1		
Reject													
1													
2													
3	1				1								
Table.													
Defer.													
Refer.													
1													
2													
3													
Request													
Inform.						1				1	2		
Rec'd													
for													
Inform.	3												
	5	1											
TOTALS	12	1	1			2	2	2		10	7	12	4
	40	3	2			4	1	1		127	10	35	1
GRAND TOTALS	52	3	3	1		6	2	3	1	137	17	51	2

* Includes 104 individual personnel decisions.

matters brought before the council, 58 (21.0 percent) directly concerned financial decisions and 12 (4.3 percent) involved program development and educational policy. There were 104 approval motions (37.7 percent of the total) for the appointment of faculty and staff on the recommendation of the Personnel Committee (following the advice of the administration). In terms of the level of decision-making, 223 items (80.8 percent) were working policy matters, 49 (17.8 percent) were management policy decisions; and only four matters received from the administration for information, were at the legislative policy level. Committees had examined 195 (70.7 percent) of the items placed before the council; 57 (20.7 percent) came directly from the administration; 22 (7.9 percent) were raised by individual council members, while only two (0.8 percent) came directly from elsewhere.

When these 276 items were analyzed in terms of the action taken by the council, it was found that 185 items (67.0 percent) were approved without amendment, and a further three (1.1 percent) were approved with amendment. Only two items (0.8 percent) were rejected, and five (1.8 percent) were tabled, deferred or referred back for further consideration. Of these, one concerned finance and one programs. Sixty-seven items (24.3 percent) were received for information only; these included 43 matters reported by the administration. There were four requests for information including two put by the administration to guide its planning.

This analysis has shown that the council of Institution D had concentrated its attention on routine matters, especially those related

to personnel appointments, but had given virtually no attention to decisions on legislative policy regarding the mission of the college and its relationships with other institutions, with the notable exception of the school boards, with which the council related strongly. By concentrating on these routine matters, the council had little time to attend to management policy (concerning internal relations and policies) and much less for legislative policy decisions.

The Council and Finance

Financial matters were a major concern of Institution D's council during the 1973-74 fiscal year, constituting directly over 21 percent of the items brought before the board. Of the 59 financial matters considered by the council, 52 (87.1 percent) came to the council from a committee, usually the Finance Committee, to which all matters of finance were referred unless they were routine.

There were 45 items (76.3 percent) at the working policy level, many of which were formal approvals of expenditure which had already been made. At the meeting of March 14, 1974, the council, on the recommendation of the Finance Committee, accepted financial statements for December, January and February, which the committee reported had been thoroughly examined, and approved three monthly expenditures of 600,000 dollars for operating expenses and over 58,000 dollars for capital expenditure. At the meeting of December 13, 1973, the council received from the Finance Committee the administration's statement of the projected financial position to March 31, 1974, indicating that the expenditure was expected to be in line with the budget estimates.

Thus, the Finance Committee exercised, on behalf of the council, supervision over the financial affairs of the college.

Only 14 matters, mainly concerned with the budget and with salary negotiations, were classified as management policy items out of the 59 financial matters placed before the council. At the meeting on May 18, 1973, the chairman of the Finance Committee advised the council that the Gross Operating Budget for 1973-74 had been approved by the Minister of Education, and that the effective mill rate for the participating school districts would be 2.61. It was also reported that, although the capital estimates had not yet been approved, permission had been given by the Department of Education to proceed with planning for renovations to the sewer plant and for construction of the gymnasium.

As noted previously, college budgets in British Columbia were prepared in two stages. The preliminary estimates, which were used by the Department of Education in preparing its budget estimates to the Treasury, were forwarded to the Department in July, while the final estimates which were the basis for the final approval of budgets and the allocation of grants to the colleges, were submitted by December 1.

Within Institution D there was open discussion of the budget estimates, which were derived from estimates by each chairman of the financial needs of his department. These estimates, which were established in consultation with the faculty of that department, were assessments of the costs of supplies and equipment, and of the number of staff (faculty and support) required by the department in the ensuing

fiscal year. These estimates were based upon enrolment projections produced cooperatively by the administration of the college and the department chairman. The faculty/student ratios accepted elsewhere were not necessarily used as a basis for establishing faculty needs, although they were applied as a guide.

The estimates of each department were reviewed separately by the Principal, Bursar, Dean of Studies and the two directors from the second campus in discussion with each chairman. At this stage, the purpose was to determine the rationale of the department's budget, and to test the validity of the estimates, and not to reduce the budget.

After this initial review and discussion, the departmental estimates were assembled by the Bursar into a total budget estimate for the college. These estimates were then analyzed by the senior administrators of the college to determine their import for the college in terms of impact on the mill rate and their probable reception by the council. When the college was established, it was agreed by the participating school boards that the local levy should not exceed three mills, and this agreement continued to guide the council's budgeting decisions.

The total budget was then discussed in an open meeting of the chairmen with the senior administrators, which faculty were free to attend. In this meeting, priorities for the next fiscal year were set; and the validity of the budget was examined in terms of its feasibility, of compatibility between departments' needs, and its defensibility before the council and the Department of Education. At this state, no cuts were made except in items which were clearly

indefensible. The priorities were those adopted by the group as a whole, although it was recognized that the principal had the ultimate responsibility in this matter.

Once agreement had been reached among the chairmen and the senior administrators, the estimates were submitted to the Finance Committee of the council. This committee thoroughly examined the estimates in three meetings with the administration, suggesting possible cuts and increases according to its perceptions of the college's needs. When the Finance Committee had agreed to the estimates, these were submitted to the council for approval.

The principal's strategy in the council was to have the council set a total amount which it was prepared to accept as a budget, and to have the faculty and administration decide where the changes should be made. Although there was a substantial increase in the budget estimates for 1974-75 from the previous year, the administration was able, because of the surpluses from the previous year and the fact that some programs were totally supported by provincial grants, to keep the local levy below the limit set of three mills, and to gain the council's approval of the preliminary estimates.

The preliminary estimates, which were submitted to the Department of Education in July, 1973, were discussed with departmental officers in a similar fashion to that described for Institution C. The final estimates were prepared in a similar manner to that described above, and at its meeting on November 15, 1973, Institution D's council approved the Operating Budget Estimates for 1974-75 in the amount of

4,007,725 dollars and the Capital Budget Estimates in the amount of 473,325 dollars. These final estimates were forwarded to the Department of Education and the participating school boards as required by the Public Schools Act.

The participating boards have at times been critical of certain expenditures of the college, but generally have not required changes provided the local levy did not exceed the agreed mill rate. It appeared that the boards' basic concern was to limit the cost to the electors rather than to establish a policy on the quality of the college's programs.

Details of the preliminary estimates for the 1974-75 fiscal year were not available for public use from Institution D, but Table VI has compared the final budget estimates approved by the council with the final budget approved by the Minister of Education. Within the total operating expenses of 3,683,725 dollars was a provision of 1,122,430 dollars for vocational programs which were to be totally funded by provincial grants. This included 60,000 dollars towards the costs of administration, 215,000 dollars for plant operations, and 26,000 dollars towards student services for students in vocational programs. In addition, the province was to meet the full costs of debt services and 63.3 percent of the remaining operating expenses. The budget finally approved by the Minister was a little over 320,000 dollars less than that approved by the college council. The total cost to the participating school boards was to be 666,500 dollars, which was 16.5 percent of the total operating budget and represented a mill rate of 2.80. The estimate of nearly half a million dollars for

Table VI
A SUMMARY OF THE ESTIMATES OF INSTITUTION D

Account	Final Estimates 1974-75	Final Budget 1974-75
Total Operating	4,007,725	3,683,725
Ancill. Services	115,400	115,400
Debt Services	277,307	277,307
Non-shareable Capital	473,325	--
TOTAL	4,873,757	4,076,757

capital expenditure was deleted from this approval and considered separately.

It has already been seen that although Debt Services for capital expenditures is fully financed by provincial grants, it was necessary for the participating school boards to borrow the capital by means of by-laws which no longer required the assent of the electors but which did require an Order in Council. Having received the agreement of the Department of Education to its capital expenditure estimates for 1973-74, the college council at its meeting on October 11, 1973, resolved to proceed under section 254(2) of the Public Schools Act, and to require the participating boards to provide by by-law for the borrowing of 224,500 dollars for capital expenditure.

The development of the financial arrangements for the new gymnasium illustrated the decision process. An estimate of the cost of the gymnasium and other works was submitted with the budget estimates

for 1973-74, and in May, 1973, the chairman of the Finance Committee reported to the council that although the capital expenditure had not yet been approved, the Department had granted permission to proceed with the gymnasium. At the meeting on November 22, 1973, following a report from the Bursar of discussions with Departmental officers, the council resolved to approve guidelines of one million dollars for the site, water, equipment, consultation and building costs for the gymnasium, and to instruct the Facilities Planning Committee to proceed with the development of plans within this limit.

Although the minutes did not record any amendment of the November decision, at the meeting on January 31, 1974, the council approved the building of the gymnasium at a total cost of 1,987,673 dollars and required the participating school boards to borrow the necessary finance by by-law. This borrowing was approved by Order in Council and work commenced on the gymnasium in November, 1974. The repayment of the borrowed finance would be achieved by annual grants from the province for debt services, but the buildings, like the existing structures, would be vested in the participating school boards in partnership.

From the above discussion, it was clear that the college administration was largely responsible for the planning and budgeting for the college, and that it had the initiative in all financial affairs. The council's role in matters of finance was, through its Finance and Facilities Planning Committees, to protect the interests of the electors; to establish the general financial policies of the college; to ensure that the finances of the college were properly managed; and to give formal approval to the decisions of the administration and the committees.

The Council and Programs

In Institution D, neither the council nor its Program Planning Committee was particularly active during the 1973-74 fiscal year. Only 12 matters (4.3 percent of the total) among those placed before the council concerned program development or educational policy. Half of these (six), however, were at the management policy level. Six items were approved by the council, and another was approved with amendment, while three items were received for information from the administration. The one issue raised from outside the council and the administration was not approved by the council.

New programs could be initiated within the college in a number of different ways. The faculty could become aware of a need as a result of student enquiries, or from members of the community, or from their own perceptions of community needs. Occasionally, council members had pointed to a need they had perceived or which had been communicated to them by others.

To assess the demand for new programs, the college had established a Curriculum Committee which consisted of faculty, student and administration representatives and which reported to the Committee of Chairmen. The function of this committee was to examine, or initiate, programs in order to determine the validity of the demand and the validity of the proposed program. The actual program development was undertaken by the faculty of the department with major concern in the field.

During the fiscal year of 1973-74, two proposals, one in chemical technology and one for social service aides, were submitted

to the Department of Education for approval. The document submitted in April, 1974, in support of the program in chemical technology was taken as an example of the program proposals prepared at Institution D. The document consisted of a 25 page statement of the need and of the proposals for implementation, together with 66 pages of appendices containing supporting evidence.

The proposal was prepared by the faculty of the Department of Chemistry in consultation with a group of industrialists, who were drawn from two local companies and an Alberta oil developer. The statement analyzed employment prospects in this field within Alberta and British Columbia, and the student interest shown in the program. It indicated that the present laboratories had been originally planned for this purpose and would be adequate for the needs of the new program, although minor alterations and new equipment to the value of 46,000 dollars would be required as a capital investment in mid-1975, if the program commenced in September, 1974; that annual operating costs exclusive of salaries would be 7,000 dollars (only 2,500 dollars in the first year); and that one additional faculty and one additional support staff would be needed for an estimated enrolment of 15 first-year and 10 second-year students.

Once the Curriculum Committee had examined the new program and accepted it as feasible for the college, the matter was reported to the Committee of Chairmen, which examined the proposal in terms of its implications for the college in regard to interdepartmental relations and faculty and staff utilization, and its community impact in terms of the student enrolment and market demand for the graduates.

The final documentation as described above was then completed for presentation to the Program Planning Committee.

The Program Planning Committee was concerned with the relevance of the program for the Kootenay region, the cost estimates for operating and capital expenditure, and the feasibility of establishing the program, but was not concerned with the curriculum content except in the broadest terms. Once a program had been recommended by the Program Planning Committee, it normally received formal council approval, and was forwarded to the Department of Education for its endorsement and financial support.

The program in Chemical Technology was submitted to the Department of Education's Provincial Consultative Committee for recommendation to the minister. On the other hand, the program for Social Service Aides, which was approved by Institution D's council at its meeting on January 31, 1974, for implementation in September, 1974, had to be submitted to the Department of Human Resources, which was the government's agency for recommending approval of programs in the social field.

The Program Planning Committee of the council of Institution D was thus responsible for maintaining an overview of the total college curriculum. The council's role in program, and educational matters, as exercised through this committee, was one of establishing the educational policies of the college and of ensuring that the educational requirements of the Kootenay region were being met by the college. During the period of this study, however, it did not play a very active role in educational matters and tended to respond to administration

and faculty initiatives rather than exercising directional leadership.

Conclusion

In budget allocation, action was mainly initiated by the administration, which required the chairmen to estimate expenditure needs for the 1973-74 fiscal year, on the basis of enrolment projections prepared jointly by the administration and the chairmen. Each chairman was able to explain his estimates individually to the principal and senior administrators, and then to discuss the total estimates in an open meeting with them and the other chairmen. The priorities for any reductions were developed during negotiations between the chairmen and the administration. Budget allocation decisions were "pre-formed" by the time they were presented to the Finance Committee which scrutinized the allocations very carefully. The council's major priority was to keep the local levy below a rate of three mills, while the principal's strategy was to have the council set the total budget figure and to allow the administration to determine the allocations within that figure. The Department made the final decision on the budget by determining its total and the allocation of costs between the province and the participating boards. The influence of the school boards was largely exercised through their representatives on the college council and was effective in restricting the local mill rate for the college.

At Institution D, program development could be initiated by the council, the administration, the faculty or students, but those involved in information-gathering were the faculty and the administration.

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By the time new programs had been researched and proposals prepared, the decision was largely "pre-formed" for the council's approval. Final decisions regarding new programs were made by the minister on the advice of the Department's consultative committee, the board of the medical centre, or the Department of Human Resources, depending upon the course area involved.

IV. CHAPTER SUMMARY

In British Columbia, although the Public Schools Act vested the community colleges in the participating school boards, the Minister of Education had over-riding power both in regard to the finance and to the programs of the colleges, and the approval of the minister was required for all expenditure and for the establishment of new programs.

When the colleges were first established the councils were dominated by the school trustee members of the councils who had a clear majority. In the case of Institution C, the members of the council in the main were oriented towards the college's advancement and development; while at Institution D, the orientation continued to be towards the interests of the school boards and the electors of the school districts.

Action on both budget allocation and program approval was initiated largely by the administration and the faculty, who presented "pre-formed" decisions, which had been negotiated within the colleges, to the councils for approval. At Institution C, the Finance Committee had performed its function of obtaining finance for the college and of

managing the college's finances very thoroughly. In neither college, however, was it possible to find evidence of priority setting at the council level or of any form of cost-evaluation of programs. The forms used by the Department of Education for budget preparation did not encourage any form of program budgeting, because they defined expenditure in terms of line items rather than programs.

One principal expressed concern over the present budget relations with the Department of Education, which he saw as being remote from the colleges. He stated that the Department had failed to define clearly the mission of the colleges in post-secondary education, the accounting or economic criteria which the Department used for evaluating college budgets, and the educational priorities it held for the colleges. It had not taken the colleges into partnership and told them the type of arguments and data it needed to convince the Treasury of the financial needs of the colleges. In his view, the post-secondary education branch of the Department was both understaffed and lacking in the expertise necessary to appreciate fully the role of the colleges.

This view was shared, at least in part, by the Task Force on the Community College in British Columbia, which stated in its report, "There has never been adequate capacity in the Department to guide and support college growth in terms of sound planning and harmonious relations. . . . It was after a decade of policy drift and in the midst of misunderstanding and tension that the Task Force began its work" (1974:10).

In particular, the principal criticized the system which required the college to submit preliminary estimates in July and final estimates at the end of November. It was only in October, 1974, that the college was informed that the preliminary estimates were crucial to the Department's approach to the Treasury and that these therefore determined the total allocation to the colleges; while the final estimates based on the latest Fall enrolments were only used to allocate the total funds available between the colleges. Since the final estimates almost invariably exceeded the preliminary estimates, it was inevitable that the final estimates had to be reduced.

While it would be desirable from the colleges' viewpoint to know the criteria used in the allocations by the Department, it should be recognized that the Department is also the instrument of the government and that policies, including financial policies for education, have a political basis as well as an educational basis, and that it is impossible for the Department to establish binding criteria.

In neither college did the council offer a strong lead in educational policy-making during the fiscal year of 1973-74. The initiatives came from the faculty and the administration, and the councils, through their committees, merely responded to those initiatives. There was some evidence, however, that at Institution C, in particular, the Curriculum Review Committee would in future be more actively involved in determining educational policy within which the administration and faculty would develop new programs.

In general, the college councils studied gave detailed scrutiny to such working policy matters as the appointment of all staff,

monthly expenditures, and the details of the budget. They failed to give leadership to the colleges, however, in that they had not established priorities for either budget allocation or program development. As a result the priorities were set by the faculty according to technical level criteria, and by the administration at the managerial level. Institutional level priorities were set primarily by the Department of Education and the provincial government.

CHAPTER VI

PROVINCIALY ADMINISTERED INSTITUTIONS

I. THE PROVINCIAL PERSPECTIVE

In Alberta and British Columbia, the agricultural and vocational colleges, the institutes of technology and the vocational centres and schools were established under the direct administration of government departments. In this section, budget allocation and program approval has been discussed in terms of the provincial perspective in order to provide a basis for the examination of these processes and their outcomes in the institutions which have been studied. Consideration has also been given to the administrative relations within the province.

Provincially Administered Institutions in Alberta

The institutes of technology were established by the Department of Education by regulations made under the provisions of section 7(d) of the Department of Education Act (R.S.A. 70, c.96); while the agricultural and vocational colleges were established as schools under the Agricultural Schools Act, 1913, which was repealed and replaced by the Agricultural and Vocational Colleges Act, 1967. Although the Colleges Act, 1969, provided that these institutions could be included for certain purposes under the college system, while still remaining provincially administered institutions, the government never exercised

that option. In the Department of Advanced Education Act, 1972, the administration of these institutions was vested in the Minister of Advanced Education without any provision for governing boards; and the Agricultural and Vocational Colleges Act was repealed. The governance pattern for these institutions and the colleges in Alberta have been depicted in Figure 2.

As part of a government department, these institutions were subject to all acts covering the operations of such departments, including the Financial Administration Act (R.S.A. 70, c.142) and the Public Service Act (R.S.A. 70, c.298). Whereas the fiscal year for the community colleges was from July 1 to June 30, the fiscal year for the provincially administered institutions was the provincial fiscal year from April 1 to March 31. Furthermore, each institute or agricultural and vocational college received a separate appropriation within the provincial estimates, which were presented to the Legislature each year, while there was a single appropriation for the Department of Advanced Education for all the grants to the community colleges. The Departmental procedures for developing the budgets of the provincially administered institutions was somewhat different from that described in Chapter IV for the community colleges in Alberta.

In June, 1973, the Treasury Department sent budget information and forms for the 1974-75 budget to each of the provincially administered institutions (together with all other government department sections). These forms were completed by each institution and sent to the Department of Advanced Education.

When each institution's budget estimates were received by the Department of Advanced Education in July, 1973, they were submitted unchanged to the Treasury Department so that the appropriations for the Department could be processed. In preparation for discussions with officers of the Treasury Department, the finance officers of the Department of Advanced Education analyzed the implications of each institution's estimates and discussed them with the senior administrators of that institution in order to understand the basis of the estimates and to answer questions from the Treasury officials. Because salaries were a major item in the budgets, it was necessary to establish the minimum number of new positions required and to fix their job specifications for salary purposes.

In October, 1973, the Deputy Minister, the Assistant Deputy Minister (Administrative Services), the Director of Finance Planning Services and the Director of Finance Operations Services from the Department of Advanced Education met with the Deputy Provincial Treasurer, the Assistant Deputy Provincial Treasurer and Treasury officers involved in budgeting, to negotiate the budget allocations for the Department of Advanced Education. In this process, they examined the budget to fix the amount for each appropriation, the main concern being to establish the total amount for the appropriation rather than to examine details. When a figure had been negotiated for each appropriation, the Treasury Department's recommendations were submitted to the Priorities Committee of the Cabinet for its final approval before the budget estimates were prepared for presentation to the Legislature. During meetings of the Priorities Committee, officers of

the Department of Advanced Education were required to answer questions about any of the appropriations.

Once the total amount to be appropriated for each provincially administered institution was decided at these meetings in November and December, 1973, it was necessary to distribute this between the codes of expenditure. A computer run of the salaries for existing positions, up-dated for grade increments and qualification changes, and the salaries for the new positions to be created provided the total estimate required for salaries. This was deducted from the total appropriation and the remainder distributed between the other expenditure codes.

In Alberta, all provincial buildings are owned and maintained by the Alberta Public Works Department. If a new building was required by a provincially administered institution, it was necessary for an Order in Council to authorize its construction by the Public Works Department. The government grant for this purpose would cover only the cost of the building and normal building fixtures. The cost of equipment and its installation would be charged against the institution's capital equipment budget.

The maintenance of the buildings and grounds and the provision of services such as parking commissionaires was the responsibility of the Public Works Department, but the cost of these was charged against the supplies budget of the institution. Although the institution was required to budget for these services, it had no control over expenditures for these items.

When those interviewed in Alberta were asked to compare the advantages and disadvantages of the provincially administered institutions with those governed by boards, two disadvantages were commonly perceived under provincial administration. Firstly, the establishment of all new positions was under the control of the Treasury Department, whose regulations and procedures were more suited to the normal public service operation than to the needs of an educational institution. Institutions did not have sufficient flexibility in the type of personnel hired or in the conditions under which they worked. Secondly, the institutions did not have access to the revenues from their operations.

Both Departmental officers and institutional personnel interviewed believed that the requirements of the Financial Administration Act were unsuited to an educational institution which needed to provide a flexible service to the public. Because the expenditures of an institution were entirely separate from its revenues in government accounting, any increase in revenue arising from increased service to the public was not offset against increased expenditure. This meant that increased service penalized the institution by decreasing the funds available for other activities.

On the other hand, it was reported that the government accounting system had grown so large that it was no longer possible to exercise control over institutional spending with the result that the provincially administered institutions tended to spend beyond their budgets. It was suggested that the Department had less effective control over the expenditures of these institutions than it had over the colleges which were governed by boards.

It was indicated in Chapter IV that all post-secondary education program submissions were reviewed by the Programs Review Committee of the Department of Advanced Education; and that no distinctions were made between programs submitted by the provincially administered institutions and other institutions in the review process. From the viewpoint of the Department, identical procedures and criteria were used for all the programs received so that it has not been necessary to outline them again.

Provincially Administered Institutions
in British Columbia

In British Columbia, the institute of technology and the vocational schools were established under the provisions of section 18(15) of the Public Schools Act, 1960-73, which allowed the Lieutenant-Governor in Council to establish and maintain provincial schools for vocational and technical education with finances provided under section 194 of the Act. In 1971, the government decided to meld the vocational schools with existing community colleges within the same area, and over the past few years most of these schools have been transferred to the jurisdiction of the colleges. The governance patterns existing in British Columbia in the first half of 1974 have been presented diagrammatically in Figure 3. Following the passing of the Institute of Technology (British Columbia) Act, 1974, the institute became a corporation with its own board of governors. This suggests that in British Columbia, there has been a strong move away from the administration of post-secondary institutions by provincial departments.

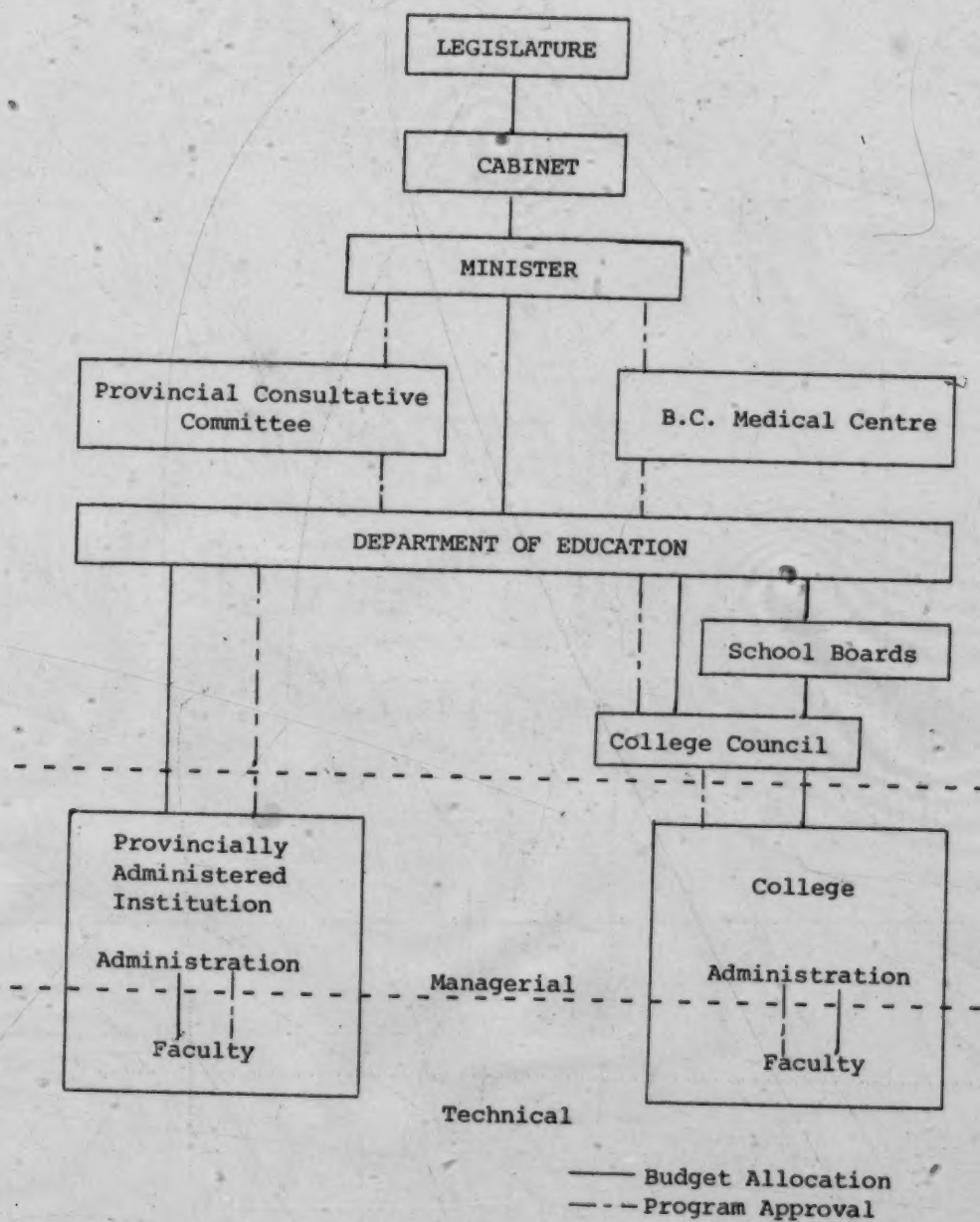


Figure 3

GOVERNANCE OF NON-UNIVERSITY POST-SECONDARY
INSTITUTIONS IN BRITISH COLUMBIA

Prior to these changes, the provincially administered institutions were subject to similar budget allocation processes within the Department of Education to those described for Alberta, except that there was a single appropriation for all provincially administered institutions instead of separate appropriations. Each institution was required to submit detailed estimates of its expenditures and revenues for the ensuing year in September, 1973. Included were a schedule of the current staff establishment of the institution, showing the name of the incumbent of each established position, his grade, and salary for the 1974-75 fiscal year; a schedule for the proposed additional positions; and a statement of other operating expenses. The revenues included in the estimates would be paid to the province's Consolidated Revenue Fund when they were received so that the institution would not receive any direct benefit from additional revenues. The form of the budget submission showed the influence of normal public service practice and of Treasury regulations upon staffing and the application of revenue.

In program approval, the provincially administered institutions followed similar procedures to those described for the colleges, with programs being subject to the advice of the Provincial Consultative Committee, the board of the Medical Centre or the Department of Human Resources, according to the field under consideration. There was no evidence that the provincially administered institutions were treated any differently from the colleges in the matter of program approval.

II. INSTITUTION E

Budget Allocation

The fiscal year for Institution E ran from April 1 to March 31 of the following year. The budget estimates for the 1974-75 fiscal year were prepared within the institution during June, 1973; were submitted to the Department of Advanced Education in July for presentation to the Treasury Department; and considered in the Priorities Committee of the Cabinet in November, 1973, for the budget to be presented to the Legislature in February, 1974.

Within the institute, the preparation of the budget estimates commenced at the level of the 12 department heads, to whom the Bursar provided historical accounting data for the previous three fiscal years and a breakdown of the budget for the current year (1973-74). From these data and his estimates of enrolments in existing programs, each department head prepared estimates of expenditures in the supplies budget. According to the Vice-President (Administration) there was a tendency for department heads to base their estimates upon budgeted amounts rather than upon actual expenditure in items which were under-spent. In addition, each department head submitted a list of new positions to be established. These were based on a load of 18 hours per week for lecturing and 25 hours per week for laboratory classes. All new positions had to be included in the budget estimates, and also required the approval of the Treasury Department before they could be filled.

Each department's estimates were reviewed by the directors of

the divisions and then the Vice-President (Administration) in consultation with the department heads, in order to determine the basis of those estimates and to ensure that the amounts could be justified. The departmental estimates were then consolidated into a budget for the institute by the Bursar and salary costs calculated for the existing staff and for the new positions required. The consolidated estimates for the institute were examined in detail by the Vice-President (Administration), his Assistant and the Bursar to eliminate any overlapping estimates, and the final budget was reviewed by the President, Vice-President (Administration) and the Vice-President (Academic), whose main involvement was to ensure that any cuts in the budget did not adversely affect the academic programs.

The estimates submitted by the department heads, which amounted to 3.35 million dollars, were reduced to a consolidated estimate of 2.9 million dollars for the supplies budget. The institute submitted this request for 2.9 million dollars for wages and supplies, together with a request for a further 10 million dollars for salaries to the Department of Advanced Education at the end of July, 1973. It was estimated that the revenue of the institute would amount to 1.5 million dollars, including 0.75 million dollars from food services. This revenue would be paid, under the provisions of the Financial Administration Act, into the General Revenue Fund of the province, and would not be available to the institute.

The capital equipment budget was prepared separately by the department heads from guidelines given to them by the administration. Each department was given the dollar inventory of equipment in the

department and asked to prioritize its requests for new equipment in terms of replacements for old and wornout equipment, replacements for obsolete equipment and new equipment needed for new developments in technology, and requirements for new programs. The Vice-President (Administration) considered that there was a tendency for department heads to inflate their budgets in the expectation of budget cuts.

The capital equipment budget for the institute, which covered fixed equipment, furnishings and other equipment, was developed within the institute in a similar fashion to the supplies budget. The request to the Department of Advanced Education for capital equipment was 1.5 million dollars.

In the Estimates, 1974-75, presented with the Budget Speech to the Legislature in March, 1974, the appropriation provided a total of 12,217,108 dollars for this institution for the 1974-75 fiscal year. This included 9,663,968 dollars for salaries and 2,553,140 dollars for supplies and wages. The budget approved by the Legislature represented a reduction of 800,000 dollars from the department heads' estimates, and 400,000 dollars from the administration's submission to the Department of Advanced Education.

By September, 1974, (halfway through the fiscal year) it was clear that the institute would overspend its budget. The administration of the institute by letter sought a supplementary budget allocation of 1.3 million dollars; the Department of Advanced Education in October, 1974, approved a further 694,000 dollars to meet anticipated overspending. In a letter dated November 26, 1974, the institute presented additional arguments to support a request for an extra 192,000 dollars.

If this were approved, the final expenditure approved for supplies and wages would be over 3,400,000 dollars or slightly more than the amount first requested by the department heads.

These facts were open to a number of interpretations. According to the President of the institute, the institute did not over-estimate its budget estimates in order to allow for anticipated cuts. He argued that such over-estimating was relatively easy to detect and would destroy the credibility of the institute. The Vice-President (Administration) indicated that the institute only maintained the prime accounting records for the operations of the institute and details of wages to be paid. All payments on behalf of the institute, however, were made by the Treasury Department. Purchases were made through the central purchasing agency which had become too big and slow to respond effectively to accounting demands. Consequently, the institute was unable to monitor its expenditure.

The Departmental view was that the personnel of the provincially administered institutions were not committed to the budget and had no incentive to remain within the estimates. The government accounting system had outgrown its capacity to control expenditure by rapid feedback. Within the larger institutions, department heads could write purchase orders which committed the government to additional expenditure, which could not be controlled centrally.

The implication drawn from the views of both the Department and the institute personnel interviewed was that the institute should be more accountable for its expenditure and that it should have greater control over both revenue and expenditure, if it was to be sufficiently

responsive to public needs. Such a need appeared to exist irrespective of the form of governance adopted for the institute.

Program Approval

In its mission statement for the Department of Advanced Education, the institute stated that from its inception, its educational mandate was to provide technical, vocational, and trade programs designed to meet the needs of the individual and the business and industrial community. According to the Vice-President (Academic) the first priority in program development was the provision of apprenticeship programs to meet the needs of the Department of Labor with which the Institute had a close liaison. Programs to meet new needs within developing technologies were also given high priority; while there was no intention to expand the programs in the business area beyond their 1974 level. Thus the institution had clearly defined priorities for the development of programs within its mandate.

Normally new programs were initiated at the institute by faculty members after contacts with members of the industry concerned. Proposed new programs were discussed by the department head with the Vice-President (Academic) and the director of the division. The department head had the responsibility of drafting a letter of intent to satisfy the Department of Advanced Education's requirements, which were discussed in Chapter IV. The Vice-President (Academic) personally redrafted each letter of intent for the President's signature before it was sent to the Department.

According to the Vice-President (Academic), if a suggested

program was clearly outside of the institute's mission, the proposal was vetoed by him and no letter of intent was sent. If the suggestion was marginally outside of the institute's mission or only partly within its mandate, the letter of intent was sent, and the institute attempted to negotiate an agreement with another institution in which each shared part of the program.

If the Department of Advanced Education approved proceeding with the development of a formal program proposal, then an ad hoc advisory committee was established for the program. The New Programs Development Officer, who worked closely with the Vice-President (Academic), undertook the necessary research in collaboration with the faculty concerned to obtain data on student demand, expected employment demands and costs of establishing the program, which would be required by the Department. When the course outline had been agreed upon, the New Programs Development Officer wrote the formal proposal under the direction of the Vice-President (Academic) for submission by the President to the Department of Advanced Education.

The Department's status report to November, 1974 showed that two new programs in power engineering and steel fabrication had been approved for the institute; that approval had been given to proceed with the development of a formal program proposal for three others; while the institute was asked to defer development on another.

The letter of intent for the proposed Diploma for Mapping Technologists, for which approval to proceed was given, indicated that this course would require a one-year program for students who already completed the first year of certain engineering programs, and would

equip students in depth for cartographic mapping. It was estimated that the program, which was planned to commence in September, 1975, would have an enrolment of 20 students per year, and would cost 16,000 dollars for salaries, 4,000 dollars for supplies and 25,000 dollars for capital in the initial year for the course to be established. When approval to proceed was given, the Department undertook to reserve 45,000 dollars in the 1975-76 budget for this new program.

The institute was asked to defer the development of a proposal for a telecommunications option in Avionics, which had been proposed for Fall, 1974. The Department gave this decision because a similar program had been proposed for another institute of technology, which offered a wide range of aviation programs, although it was recognized that the program was within the mandate of the institute being examined in this study, whose close proximity to a busy airport gave it some advantages in this field. Future growth in the demand could result in the program being developed at this institute of technology as well.

The evidence gained from interviews and from the Departmental status report indicated that the institute had exercised restraint in developing only programs which lay within its mandate; that the administration of the institute had exercised responsible leadership in this matter; and that the Department had recognized this by approving its proposals except where it was decided to approve a similar program at a similar institution. It was shown in Chapter IV that the Department had also upheld a role inconsistency challenge by the institute against a program proposed by another institution, and had located the program at the institute.

Conclusion

The evidence from the budget documents, letters, and interviews indicated that while the institute was not initially successful in gaining the budget allocation requested for 1974-75, by November, 1974, the institute had already received a supplementary allocation and had requested a further supplementary allocation which would, if approved, allow the institute's expenditure to exceed the original estimates of its department heads. On the other hand, the inflexibilities of Public Service regulations and the Financial Administration Act had limited its responsiveness to demands for service. Its records in regard to program approval indicated that the institute had not suffered by the absence of a board of governors.

In budget allocation, action was initiated by the administration requiring the department heads to submit the budget estimates for each department on the basis of information supplied by the bursar. These estimates were prepared on the basis of priorities established within the departments. In discussion with the divisional directors and the Vice-President (Administration), the departmental heads were able to explain their estimates and to negotiate where cuts would be made. By the time the departmental estimates had been consolidated into the institute's budget and submitted to the Department of Advanced Education, the form of the budget had been largely decided, although the final appropriation was a matter for the Treasury Department and the Cabinet to decide.

Action on program development was initiated by both the faculty and the administration. Although much of the development work was

undertaken by the faculty concerned, the final form of the proposal was decided by the Vice-President (Academic) and his personal staff. The Vice-President (Academic) also vetoed any proposals which he considered to be outside the mission of the institute, or attempted to negotiate with other institutions to offer some programs in cooperation.

III. INSTITUTION F

Budget Allocation

At Institution F, the process of preparing the budget estimates was very similar to that at Institution E, although Institution F was much smaller. Each of the 13 program coordinators within the college prepared the initial estimates for his particular section, while the principal prepared the estimates for college administration and other items common to the whole college. When these sectional estimates had been combined, the principal and the coordinators considered the estimates to eliminate overlapping expenditures and to establish priorities so that they could produce what they considered was the minimum budget required for the college during the 1974-75 fiscal year.

These estimates, which were sent to the Department of Advanced Education for transmission to the Treasury Department in July, 1973, totalled 1.85 million dollars. As a result of the negotiations between the Department of Advanced Education and the Treasury Department, the college was asked to reduce its estimates to 1.6 million dollars, even though increases in salaries and other costs in the meantime meant that by April, 1974, 2.25 million dollars would have been required to

pay for the items estimated to cost 1.85 million dollars in June, 1973.

The college managed to reduce its final estimates to 1.9 million dollars by deferring the purchase of new equipment and reducing the number of new positions. The final decision of the government was an allocation of 1,805,445 dollars. The Department achieved this final figure by deleting from the total any provision for contracts and agreements, or for tuition fees for visiting lecturers, so that the college would have to meet these expenditures from other codes.

In the 1973-74 fiscal year, Institution F had a budget appropriation of 1,481,490 dollars which, by the end of the fiscal year, was over-spent by about 69,000 dollars. The principal expected that by the end of the 1974-75 fiscal year, the budget would be over-spent by about 200,000 dollars.

The total revenue to the provincial General Revenue Fund from Institution F was expected during 1974-75 to be about 0.6 million dollars or approximately one-third of its expenditure. This was a considerably higher proportion than that at Institution E where the revenue was expected to amount to about one-eighth of the expenditure. Nevertheless, no account was taken of this fact in establishing the college's budget.

Although enrolments were not directly employed in estimating the expenditures for the ensuing fiscal year, the Department appeared to take note of enrolment projections, which the Director of Financial Planning Services considered to be somewhat optimistic, when compared with trends in high school enrolments. The principal pointed out that enrolments in September, 1974, were 550 students compared with 440 students in the previous year.

It appeared from the evidence that at Institution F the administration had been successful in gaining most of the budget allocation that it requested; that the separation of revenue from expenditure limited the flexibility of the college's operations, although it did not directly limit the expenditures of the college; and that accounting lags made financial control of the college by the administration and the Department difficult.

Program Approval

Institution F, which was largely rebuilt during the 1960's, had retained a strong orientation to agricultural education, although it was attempting to broaden its range of programs. Its mission statement stressed the need to offer the opportunity for all adults to develop their interests and capabilities through education as a life-long process. It sought to become a major centre in Alberta for non-university agricultural education through full-time and extension programs; and to provide for other educational needs through an extension of its program in Fashion Merchandizing, Secretarial Arts and Business. The principal also foresaw the possibility of the college offering apprenticeship courses in carpentry for which it had good facilities which were underutilized.

In the Department's status report in November, 1974, it was shown that the Department had approved two diploma programs for the college, one in Animal Health and the other in Horse Husbandry. Both of these programs had been initiated by the principal, who had previously worked in the Department of Agriculture as a coordinator

of college programs. As a result of contacts made there and since coming to Institution F, he had received indications of interest in these courses. The program proposals had been largely prepared by the principal with the assistance of the instructors and an ad hoc advisory group. The Animal Health Technology program, which was planned to prepare technicians to assist professionals in veterinary medicine, was used as an example of the program proposals developed at Institution F. The proposal indicated that there had been substantial enquiries regarding such a course and that the enrolment would need to be limited to 20 students. It was proposed that the program would be offered jointly by Institution F and the nearest institute of technology, by utilizing existing facilities and faculty with the addition of a veterinarian at an estimated cost of 16,000 dollars per year.

In a letter dated April 22, 1974, the Department advised the college that final approval had been given for the joint Animal Health Technology program and that 4,000 dollars would be transferred to the college's operating budget for 1974-75, with a further 17,000 dollars for the full year in 1975-76. In another letter of the same date, approval was given for the Horse Husbandry program, with a conditional grant of 26,000 dollars for the operating budget and 8,000 dollars for the capital budget in 1974-75, with a further 35,000 dollars set aside for operating expenses in 1975-76. The college was advised that during the first two years, the college would be required to submit an accounting of expenditure on each of these programs separately.

Thereafter it would be necessary for the college to provide for these programs out of its regular budget allocations.

Conclusion

Because Institution F was a comparatively small institution, with very few administrative staff members, the main burden of budget preparation and program development rested upon the principal, in consultation with his program coordinators. If allowance was made for size, the decision-making process in Institution F was very similar to that in the larger provincially administered institutions.

In terms of budget allocations, the absence of a board did not appear to influence the appropriation or other outcomes, except that the college was able to overspend without having to provide through its own machinery for that overspending; and that because of the lags in the government accounting system it was difficult to exercise financial control.

In regard to program approvals, the college was successful in having its proposals approved and supported by special grants, because its proposals fell within the stated mission of the college. It remained to be seen what might happen if the college should seek to expand its mission.

Further comparisons of Institution F with the other institutions in regard to these matters have been undertaken in Chapter VII.

IV. INSTITUTION G

Budget Allocation

As the fiscal year for Institution G ended on March 31, the budget negotiations during 1973-74 were concerned with the budget estimates for the fiscal year from April 1, 1974, to March 31, 1975. The estimates which were submitted to the Department of Education at the end of September, 1973, consisted essentially of the Operating Budget and the Estimated Capital Expenditures.

The Operating Budget estimates were developed within the institute with the head of each department estimating his staff, equipment and supplies requirements for 1974-75. These estimates were vetted by the Director of each division within the institute, who then submitted consolidated estimates for the division to the Bursar. During the consolidation of these estimates, each head of a department was required to provide both educational and economic justification of his budget requests in order to demonstrate a need.

The Bursar's evaluation of these budget submissions was based partly upon his assessment of the feasibility of the requests, since there was little justification for requesting budget amounts which could not be spent effectively within the fiscal year. For example, a request for substantial amounts for supplies in a given area needed to be matched by an equivalent increase in staff and/or student capacity, if those additional supplies were to be utilized effectively. Another criterion was the reasonableness of the submission in relation to past trends. Following discussions with the Principal, Vice-Principals

and Directors, the Bursar produced the consolidated estimates for the institute as a submission to the Department of Education.

The budget estimates for the operating budget for 1974-75 totalled 9,633,480 dollars, including 7,758,480 dollars for staff, and 1,875,000 dollars for other expenses. The estimated capital expenditures were anticipated to be 500,000 dollars. In addition, five million dollars would be required for a new classroom block to be completed by September, 1976. For this purpose, the Department of Public Works would need to provide in its 1974-75 estimates for the preliminary design costs for this extension.

Against all these estimates of expenditure, there was offset the estimated revenue of 1,550,000 dollars for sales and service fees. This revenue would not accrue, however, to the institute, but would be paid into the Consolidated Revenue Fund of the province.

It should be noted that it was not necessary for the institute to relate its estimated expenditure to the anticipated student enrolments for the institute. Nor was there any attempt to use average costs per full-time equivalent student enrolments in order to project future costs. No direct provision appeared to have been made for anticipated inflation, although this was probably done by the heads of departments in estimating non-salary costs. The institute was aware that the province would meet the additional costs arising from any increases in salary granted to the faculty and staff.

The submission was discussed at length with representatives of the Financial Services branch of the Department of Education early in 1974. As a result of these discussions and some changes in

circumstances during the intervening period, the estimates were modified. In a memorandum dated April 11, 1974, the institute was advised that the Gross Operating Allotment for 1974-75 would be 10,606,788 dollars, including 900,000 dollars for disbursement by the Department of Public Works on behalf of the institute. As most of this latter amount had not been included in the institute's original estimates, the institute's budget had in effect been increased to 9,751,788 dollars, which was an increase of 1.7 percent.

Program Approval

In Institution G, new programs were normally initiated by the faculty in response to the perceived or expressed needs of the industry involved, although some arose from the advice of the advisory committee for that particular program area. Program development was undertaken by the faculty of the department concerned, acting upon the advice of the advisory committee. New programs, which did not require substantial funds initially, were approved by the principal after discussion with the vice-principals and the directors, who constituted the institute's executive committee. The Advisory Council, which was appointed by the government to advise it on the development of Institution G, was kept informed of the programs planned for implementation within the institute so that the members could comment and be aware of new developments. In all these cases, the new programs were introduced initially on a small scale to test public support and to limit the financial commitment involved.

Occasionally new programs, such as that for psychiatric nursing,

were requested by other government departments as a part of government policy. In these cases, which required the commitment of substantial resources, the program was introduced as a full-scale operation with an additional budget allotment to finance the particular program.

The Industry Services Division was involved in offering non-credit courses tailored to the needs of a particular firm, industry or government department. The cost of such a course was borne fully by the organization requesting the course, although the expenses were a cost against the Division's budget. Courses of this nature, while requiring the approval of the Vice-Principal (Extension), did not follow the formal pattern of normal program development.

Conclusion

While those interviewed agreed that the institute did not suffer financially and did not receive any interference in its program development as a result of being administered directly by a provincial department, three related issues were raised.

Firstly, under departmental administration, the institute was subject to normal Public Service practice, which meant that often decisions regarding the institute's operations were made bureaucratically by clerical staff in the Department of Education. This had led to a greatly increased time-lapse in decision-making and in the processing of requisitions and similar requests, as well as irritating misunderstandings and rigidities. This had contributed to a decline in faculty morale.

Secondly, while all expenditure had to be met from the budget

allotment, all revenue had to be paid into the Consolidated Revenue Fund of the province. Thus, there was little incentive for the institute to increase its revenue-bearing activities, such as the bookstore and food services. In fact, any expansion of these services to students had to be limited because increased costs against the budget allotment were not offset by the increased revenues resulting from that expansion.

Thirdly, there was a feeling in some sections using very expensive equipment that insufficient attention was given by the Department of Education to the need to provide for the replacement of obsolete equipment, or for the purchase of a large volume of matched equipment in the one fiscal year. Consequently, purchases had to be spread over a number of years, with the result that by the time the last item in the set of equipment was received, the first items were becoming wornout, obsolete, or incompatible with the latest equipment. For this reason, the final set of equipment was rarely completely satisfactory. Whether it would be possible with a board of governors to achieve the degree of financial flexibility necessary to overcome this problem could not be predicted from this study, although it would seem that a corporation with borrowing powers and considerable internal autonomy could operate with greater flexibility.

In budget allocation, action was initiated by the administration, although priorities of expenditure were to a large extent determined by the faculty within each department, with negotiations occurring at each stage of the process. Although the final decision rested with

the Department of Education, the decision was largely "pre-formed" within the institution before it was presented to the Department.

In regard to program development, action was usually initiated by the faculty, on occasions with the advice of an advisory committee. Although the final decision rested with the principal, the priorities for program approval were largely determined by the faculty who initiated the programs. During the period studied, the Department of Education had not been directly involved in program approval because no major program developments had occurred, except for the psychiatric nursing program which had been requested by another government department.

V. CHAPTER SUMMARY

The three provincially administered institutions demonstrated similar patterns of decision-making behavior in respect of budget allocation and program approvals, despite their differences in size and the fact that they were administered within two different provinces.

Action in regard to budget allocations was initiated by the administration, which required the departments to provide the information needed for preparing the institution's budget estimates. In gathering this information, the departments established their own priorities for expenditures and were able to negotiate trade-offs with other departments and the administration. By the time the budgets were presented to the Departments for their final decision, the nature of the budgets had been largely determined by the priorities established within the institutions and by decisions made previously regarding staffing and programs.

Action on new programs was largely initiated by the faculty, although in the smaller institution the principal was also influential in initiating programs. The priorities for new programs were largely set by the faculty and the administration, although the final decisions were made for major program changes by the Departments in each province.

In each institution, those interviewed pointed to similar problems: the inflexibility and delays occasioned by departmental procedures and regulations, and the fact that expenditures could not be matched by revenues. The institutions' budgets were either favorably considered by the Departments or else the Departments were ultimately forced to accept a degree of overspending since it was impossible with the accounting procedures in force to monitor the institutions' expenditures effectively.

During the period investigated, the provincially administered institutions did not seem to be attempting to expand their missions by encroaching upon the activities of the colleges. As a result, their program proposals tended to be accepted by the Departments without amendment, except when two provincially administered institutions were tending to overlap in areas of restricted enrolments.

These issues have been considered in greater detail in Chapter VII, when a comparison has been made of all the institutions studied.

CHAPTER VII

A COMPARISON OF BUDGET ALLOCATION AND PROGRAM APPROVAL WITHIN THE INSTITUTIONS STUDIED

I. INTRODUCTION

In this chapter, the decision-making processes and final outcomes of budget allocation and of program approval for the institutions studied have been compared using the conceptual framework developed in Chapter III. This conceptual framework established the following six elements within the decision-making process: initiation of action, the information-gathering network, political constraints, the location of decisions, the actions taken by the boards, and final acceptance.

In this chapter, the overall actions taken by the boards and the composition of the boards have been compared first, using the data which were analyzed for each institution in Chapters IV and V. The purpose of this initial comparison was to provide an overview of the behavior of boards before the decision-making processes and their final outcomes in budget allocation and program approval within the seven institutions studied were compared separately on the basis of the data analyzed in Chapters IV, V and VI. In the concluding section, institutions without boards have been compared with institutions with boards so that an assessment of the influence of boards could be made.

II. AN OVERVIEW OF BOARD ACTIONS AND COMPOSITION

The volume of business and the way in which the boards dealt with that business varied considerably between the colleges studied. These differences could not be associated with either the province in which the college was located or directly with the composition of the board, although in the case of one college, there was a strong school board orientation in the council's decisions. This may suggest that the way in which a board decided to function was determined more by the personal characteristics of its individual members and their perceptions of the board's functions, and by the administration, than by the legal constitution of the board and its legal powers. This view was supported by the findings in a study of three Vancouver colleges undertaken by Gray (1974):

Although the number of items considered was partly determined by the way the agenda was originated, these numbers nonetheless reflected the emphasis that a board placed on its functions. As indicated in Table VII, the number of matters considered by the boards during the 1973-74 fiscal year varied from 548 items, which were placed before the board of Institution A, to 119 items handled by the board of Institution B while for the two British Columbia college boards the volume of business was closer to the mean of 325 items. These differences were in part a reflection of the different ways in which the boards perceived their roles.

The board of Institution A exercised more detailed supervision by receiving monthly statements of expenditure and by approving all

Table VII
A COMPARISON OF ACTIONS TAKEN BY BOARDS

Board Constitution	Totally Appointed by Government (Alberta)				Partially Appointed by Government (British Columbia)			
	A		B		C		D	
Institution	#	%	#	%	#	%	#	%
Total Number of Actions	548	100.0	119	100.0	357	100.0	276	100.0
SOURCE:-								
Committee	407	74.3	8	6.7	52	14.6	195	70.7
Member	11	2.0	42	35.3	113	31.6	22	7.9
Administration	23	4.2	29	24.4	141	39.5	57	20.9
External	107	34.5	40	33.6	51	14.3	2	0.8
DECISION AREA:-								
Finance	117	21.3	36	30.2	57	16.0	59	21.4
Programs	131	23.7	5	4.2	28	7.8	12	4.3
LEVEL:-								
1	1	0.2	4	3.4	2	0.6	4	1.4
2	140	15.5	35	29.4	84	23.5	49	17.8
3	407	74.3	80	67.2	271	75.9	223	80.8
ACTION TAKEN:-								
Approved	277	50.5	83	69.7	165	46.2	195	70.7
App'd + Am'd	24	4.4	--	--	22	6.2	3	1.1
Rejected	7	1.3	3	2.5	2	0.6	2	0.8
Tabled, etc.	44	8.0	6	5.0	17	4.8	5	1.8
Request Info.	7	1.3	--	--	25	7.0	4	1.5
Rec'd Info.	189	34.5	27	22.7	125	35.0	67	24.3

program offerings, including short courses in continuing education; while the board of Institution B relied on the administration to maintain control over the expenditure and program offerings, unless policy decisions had to be made. One interviewee suggested that close supervision by a board was one way in which a president could ensure that he was kept aware of what was happening within a college. The council of Institution D formally approved all personnel appointments, but did not receive regular financial statements; while the council of Institution C exercised close scrutiny over finances through its Finance Committee, but did not become involved in approving program offerings. These matters have been examined in greater detail in later sections of this chapter.

Another difference was the way in which the boards used committees to facilitate their business. At both Institution A and Institution D, the number of matters sent to the board from committees was very high (over 70 percent of the agenda items), while at Institution C the number was low (less than 15 percent). At Institution B, where there were no standing committees, ad hoc committees raised only seven percent of the items handled. At Institution A in particular, the board handled a large number of items (in comparison with the other boards) by referring them to a committee or to the administration, if a decision could not be reached quickly. At Institution D over half of the matters handled by committees were routine staff appointments, which were placed before the council for formal approval. Where matters were first considered by committees, and in some cases the Academic Council, as well, there was the possibility of considerable filtering

before matters reached the board for its formal approval. This has been examined further in later sections of this chapter.

These differences in style between the boards were also reflected in the different emphases given to finance and program matters. The number of finance matters handled by boards varied from 36 at Institution B to 125 at Institution A, while the two British Columbia councils each dealt with about 60 finance items. When these were expressed as a proportion of the total business handled, the board of Institution B devoted 30 percent of its business to finance; the boards of Institution A and Institution D, 21 percent; and the board of Institution C, 16 percent. It has been shown later that in the case of Institution C, the Finance Committee nonetheless gave careful scrutiny to the college's finances. The attention given to programs varied from five items considered by the board of Institution B to 131 items handled by the board of Institution A, with 28 items at Institution C and 12 at Institution D. At Institution A, nearly 25 percent of the board's business concerned program matters, while at Institution C, the proportion was eight percent and at both Institution B and Institution D it was only four percent.

A further issue was the attention given by all boards to implementary and routine matters rather than to policy regarding the mission of the college and the allocation of resources for this purpose. In all colleges, more than two-thirds of the board's business was devoted to working policy matters, varying from 67 percent at Institution B to 81 percent at Institution D. At the same time, little consideration was given by the boards to legislative policy matters,

the highest proportion being three percent at Institution B where the board was re-establishing its by-laws. In one college, the only legislative policy matter to come before the board was a letter from the Minister concerning transferability of credit. When budget allocations and program approvals were considered, the boards gave no indication of having established priorities within the mission of the college. This matter has been considered further in later sections of this chapter.

The board's role was also revealed through an analysis of the action it took on the matters placed before it. When the items which were approved, approved with some amendment, or received for information, were combined, they accounted for between 87 and 97 percent of the board's business. The number of items rejected by any board was not greater than seven, or more than three percent of its business. Included in the items rejected were some matters raised by other agencies, which were rejected on the advice of the administration. This suggested that the board's major role in decision-making was as a check on the administration by providing negative feedback on those few occasions when the administration had failed to convince the board of the validity of its position or had misread the board's probable actions on a matter. When interviewed on this matter, a number of interviewees, both within the colleges and the Departments, held similar perceptions of the board's role.

Although the data collected concerning the composition of the boards did not provide any conclusive explanations of the differences between the boards within each province, they did show some differences

which would require further investigation. The data described in Chapters IV and V have been summarized in Table VIII: they showed that the council of Institution D consisted of a higher proportion of business people than other boards, and that they had a higher mean age than other boards. It was shown in Chapter V that the council of Institution D had retained a strong orientation towards the participating school boards, which was shown by their perception of the council as a sub-committee of the boards and their insistence upon keeping the local levy below three mills. The fact that the 1973 amendment to the Public Schools Act did not result in any great change in the composition of the council of Institution D (although it did for the council of Institution C) could help to explain this continued orientation. Other factors could be the age of the board members, the rural setting of the college, and the predominance of business people, who would be directly affected by local taxes, on the council. The composition of the board of Institution A did not suggest any possible explanation of that board's governance pattern. One possible explanation was the continued presence of a strong president, while the board membership changed.

Again the composition of the board did not suggest any explanation of the governance style of the board of Institution B, although it was indicated in Chapter IV that this board had modelled its behavior on the pattern set for the board during the period when there was an administrator rather than a board. During the 1973-74 fiscal year, the council of Institution C was adjusting to changes created by the addition of new members appointed under the 1973 amendment, as well as

Table VIII

A COMPARISON OF THE COMPOSITION OF BOARDS

Board Constitution	Totally Appointed by Government (Alberta)		Partially Appointed by Government (British Columbia)	
	A	B	C	D
Institution				
MEMBERSHIP:-				
Total	7	8	14	13
School Board Trustee			8	7
Government Appointment	4	5	6	6
President	1	1		
Faculty	1	1		
Student	1	1		
SEX:-				
Female	3	2	6	4
Male	4	6	8	9
AGE:-				
Under 30	2	1	1	1
30-39	1	2	2	3
40-49	2	3	5	2
50-59	2	2	4	3
Over 59			2	4
Mean Age	41	43	48	50
OCCUPATION:-				
Business	1	1	4	7
Education	2	2	2	2
Professional	2	2	3	2
Other	2	3	5	2

to some changes in the school boards' representation. From the minutes and from interviews, it was evident that the 'governance pattern' of the council of Institution C resulted from the personal characteristics of its dominant members and from the administrative style of the president and his senior staff, rather than from the overall composition of the council. Regarding this particular council, which could readily be identified by the correspondence of its composition to college A in Gray's study, Gray (1974:229) found that during the 1972-73 fiscal year the council members considered that the council had been too involved in details, and had been too accepting of the views presented to it. The data collected in this present study supported these findings, although there were indications that by the end of 1974, the council had become both more critical and more oriented towards policy-making.

A major difference between boards in Alberta and councils in British Columbia was their constitution in terms of the way in which members were appointed. The fact that the college president in Alberta could participate fully in the business of the board and could move motions meant that the college administration could more directly influence the decisions of the board. Although it has been argued by some that the fact that in British Columbia the principal was not a voting member of the council did not affect the operations of the council or decrease the influence of the principal, this was not observed to be so in the meetings attended in British Columbia. Despite the fact that the principal could draft a motion for the council's deliberation, he was unable to debate that motion and when members

proceeded to amend a motion because they had not fully understood the implications of the motion it was difficult for the principal to regain the initiative or to retain the objective of the original motion.

On the other hand, it was observed that a dominant president could direct the business in the boards in Alberta so that the board gave merely formal approval to decisions made elsewhere.

A further difference was the presence of school trustee members on the British Columbia councils. In the case of Institution D, in particular, this gave to the council a strong orientation towards the school boards' position rather than to the needs of the college; whereas in Alberta this influence was not present.

III. A COMPARISON OF BUDGET ALLOCATION PROCESSES AND OUTCOMES

In Chapters IV, V and VI, the budget allocation for the 1974-75 fiscal year was described in detail for each of the institutions. In this section, the budget allocation process and its outcomes have been compared to determine similarities and differences among institutions, and among the different patterns of governance.

Initiation of Action

The budget allocation process was initiated in all institutions studied by the administration requesting the heads of departments to prepare estimates of the expenditures in the fiscal year of 1974-75 and of their requirements of additional staff.

Information-Gathering Network

In some institutions, the administration provided data and information from which these estimates could be developed, while in others the departments were left to develop their own data bases.

In Alberta, the Department did not offer any guidelines to the provincially administered institutions when the forms for the estimates were distributed by the Treasury Department in June, 1973; but in the case of the colleges, the Department of Advanced Education advised in November, 1973, that the budget for 1974-75 should be based upon a seven percent increase after allowance had been made for anticipated changes in enrolments, because by November the basis of the Government's budget was known to the Department. In British Columbia, the Department of Education did not give any clear guidelines for the budget to either the colleges or the Institute of Technology.

At Institution E, the administration provided the department heads with information regarding expenditures in the previous three fiscal years and estimates for the 1973-74 fiscal year, which was still in progress, and projections of enrolments. At Institution A, enrolment projections were prepared by the administration, and approved by the board during the week in which the budget estimates were being reviewed by the administration. In Institution B, a detailed philosophy and procedures for budgeting, and enrolment projects prepared in October, 1973, were given to the department chairmen in November, 1973. In Institution C, the enrolment projections were prepared by the administration, while in Institution D, they were produced jointly by the administration and the department chairmen.

Within each institution, a consolidated budget, based upon each department's estimates, was produced by the administration. After some revision, the budget figures were presented to the boards, or to the Department in the case of the provincially administered institutions.

In all the colleges, the boards were dependent upon information gathered and arranged, firstly, by the department heads, and secondly, by the finance officers of the college administration. Information regarding the major item of expenditure, which was salaries and wages, was under the control of the colleges' finance officers. Thus, these personnel controlled access to the data and information upon which the budget estimates were established. This was also true in the provincially administered institutions which submitted their estimates directly to the Departments.

In British Columbia, this process occurred twice because the Department of Education required preliminary estimates in August, 1973, for the preparation of its budget submission for the Treasury Department, and a final budget which was received before December 1, 1973, for the allocation of grants to the institutions. In Alberta, the Department of Advanced Education used data from its own records to develop an overall budget amount for the colleges, but depended upon the provincially administered institutions to prepare their own estimates. This practice reflected the historical differences between the different types of institutions.

The bodies legally and formally responsible for the financial affairs of the institutions, namely the boards and the Departments, thus did not have direct access to the data upon which the estimates were

based, and were dependent upon the department heads and the finance officers of the institutions for the information they required.

Political Constraints

Although it was possible that negotiations and trade-offs occurred within each department of the institution, as department heads and faculty discussed the department's estimates, these have not been considered because they were outside the focus of this study. In all the institutions studied, however, there was evidence from the interviews that once the departments' estimates had been assembled, there were discussions and negotiations at the division or administration level. In these budget review sessions, overlapping expenditures were eliminated and trade-offs made between the departments. Evidence of some of these trade-offs has already been cited in Chapters IV, V and VI.

Each department head established the priorities for his department with the faculty, and negotiated with other department heads in order to obtain a satisfactory allocation for his department. In this process of review and negotiation, the administration and the department heads established their priorities in terms of the items which would be reduced or altered, if that proved to be necessary.

Because the necessary records were not available in some of the institutions, it has been possible to show the total estimates prepared by the department heads for only three institutions. At Institution A, the review meetings reduced the total estimates from 5.5 million dollars to 3.95 million dollars; and in Institution E, from 13.35 million dollars to 12.9 million dollars. At Institution B, in

the negotiation process it was decided to submit three sets of estimates to the board for its decision regarding the budget to be sent to the Department. In this process, the original estimates were reduced from 2.54 million dollars to between 2.32 and 2.46 million dollars depending upon the items removed from the budget. The figures for the institutions have been summarized in Table IX.

At both Institutions C and D in British Columbia, the budget estimates were closely examined by the council's Finance Committee during three meetings with the principal and his senior administrators, so that the committee fully understood the basis upon which the estimates had been prepared. In this examination, minor adjustments were made between items, although the overall estimates were not changed. At Institution D, the main concern seemed to be that the budget would not cause the local levy to rise above three mills. After this examination by the Finance Committees, the estimates were adopted by the respective councils for submission to the Department of Education and to the participating school boards.

Because the participating school boards were unable to reject a budget which was approved by the Minister, the estimates were submitted to the participating boards mainly for their information, although in the case of Institution D the school boards were still critical of the estimates and influenced the council to ensure that the local levy did not exceed the rate of three mills. In the 1974-75 budget, the local levy had been kept to 2.80 mills because of substantial provincial grants.

Table IX
A COMPARISON OF BUDGETARY CHANGES FOR 1974-75

Institution	Total of Departments' Estimates	Total Institution Estimates	Budget Approved by Board	Budget Approved by Department
	\$ '000	\$ '000	\$ '000	\$ '000
A	5,500	3,950	3,950	3,950
B	2,540	2,460* 2,320*	2,390	2,302
C	n.a.	7,286	7,286	7,127
D	n.a.	4,400	4,400	4,077
E**	13,350	12,900	--	12,217
F**	n.a.	1,850	--	1,805
G**	n.a.	9,633	--	9,752

n.a. - not available from the institution's records
 ** - institutions without boards
 * - estimates based on 12 and 18 percent increases

At Institution B, as there was no Finance Committee, the estimates were considered by the board as a committee of the whole. It has been shown that the college administration presented to the board three alternative budgets based upon 12, 15 and 18 percent increases in the total expenditure. After considering the implications of each of the alternatives, the board adopted the middle alternative.

At Institution A, the budget preparation schedule was so arranged that there was no time for the estimates to be examined by

the Finance Committee. Instead, they were considered at a special board meeting in late January, 1974. As the estimates prepared by the administration conformed closely to the guidelines set by the Department, they were adopted without change by the board, after some questioning of the details.

One principal indicated that in the budget allocation process, he attempted to retain the administration's initiatives over any cuts by having the board establish only the total amount of the budget and leave details to the administration. From the data collected, it appeared that this practice was followed in all colleges to a large extent by allowing insufficient time for detailed consideration by the board, or by offering the board alternatives any of which would be reasonably acceptable to the administration.

Once the budgets had been approved within the institutions, they were submitted to the Departments for final decision. In Alberta, any negotiations between the institution and the Department were conducted by the administration irrespective of whether there was a board. In British Columbia, the public stance adopted by the Department was one of negotiating with college councils and with the participating school boards. At Institution C, the chairman of the Finance Committee, with the advice of the college administration, conducted the negotiations on behalf of the college.

A further level of negotiation occurred between the Education Departments and the Treasury Departments in order to determine the total amount to be made available for each appropriation, whether it be for the total college budget or for an individual provincially administered

institution. Ultimately, the budget negotiations were conducted at the level of the Priorities Committee of the Cabinet in Alberta and of the Treasury Board in British Columbia, since these made the final decision on the total amounts to be budgeted.

In this political process of negotiation and trade-offs, the priorities were largely set and decisions "pre-formed" by the time they were presented to the boards. The priorities were determined by the programs established by the department heads, who decided to a large extent what the institution would forego if cuts were necessary. The administration, by the way in which it had arranged the institution's budget and had negotiated the cuts with the department heads, had "pre-formed" the budget for presentation to the board, or to the Department. The president, by being present at all committee and board discussion, could also influence any decisions as they were being made. This has been discussed further in the following sub-section.

The Location of Decisions

In the preceding sub-section, it was indicated that the department heads, the finance officers of the administration, and the presidents had been able to effect negotiations and trade-offs before the budget was presented to the boards, or to the Departments, because the procedures used for the preparation of the budget gave them the power to make key decisions. There was no evidence that any board had established priorities for its budget. For example, nowhere had a decision been made as to which programs were more crucial at this stage of the institution's development, except that at Institution E,

the administration had established a policy of giving first priority to apprenticeship programs. No criteria for making budget cuts appeared to have been made by the board, and the administrations tended to force boards to allow them to make priorities decisions.

Some boards attempted to retain control over the college's finances by exercising a close scrutiny over its expenditures. At both Institution A and Institution C, the Finance Committee performed this function by scrutinizing statements of expenditure and approving large expenditures before they were incurred. Because the major expenditure in the form of salaries was already committed, it was impossible for a committee or a board to exercise any effective constraint upon the college's expenditures except by withholding approval for new appointments.

Although the Departments had a major role in determining the total expenditures of the institutions, they did not have the machinery to effectively monitor the payments and commitments of the institutions, even if they had wanted to do so. In Alberta, the Department's decision-making was restricted to establishing the total grant for each college on the basis of its previous expenditures expressed as a cost per full-time equivalent student. This meant that the colleges which had established high overhead costs previously, or which had low student/instructor ratios, continued to receive proportionally higher grants, unless the institution's administration deliberately restricted its development.

In British Columbia, the Department examined the budgets in more detail, because it was necessary for the Department to decide

which programs and expenses would be met totally by provincial grants and which partly by local levies through the school boards. Since the Department depended upon the college administration for the data from which it made its decisions, the college was in a position to influence those decisions to some extent at least.

This analysis of the data suggested therefore that the decision-making power rested initially with the department heads, who established the priorities for each department and largely determined where expenditures would be made. This meant that decisions regarding the institution's priorities were being made at the technical level of the system rather than the institutional level by the board. The administration by directing negotiations within the institution and between the institution and the Department was able to modify those priorities to some extent by re-allocating the expenditures between departments, which meant that the priority decisions made at the technical level were modified at the managerial level according to the administration's perspectives.

The total amount of each institution's 1974-75 budget was determined by the Government's decisions expressed through the grants allocated to the colleges and the appropriations made for the provincially administered institutions. This meant that in the colleges with boards the major decisions regarding the college's budget were located at the level of the provincial Department or at the level of the department heads and the administration of the college, and that decisions were largely "pre-formed" by these groups for the board's approval.

The Actions Taken by Boards

It has already been shown in Table VII that the boards' involvement in the colleges' financial affairs varied considerably among the four colleges studied. The fact that in the four colleges, none of the financial matters raised by the administration, and only one raised by a committee, was rejected suggested that the board's role in financial matters was largely one of supervising the actions of the administration rather than one of deciding the actions to be taken. This was supported by the fact that the board's decisions were mostly post hoc, and at least three-fifths of the decisions were at the working policy level, while none were at the legislative policy level. In only two boards were management policy items more than a quarter of the financial matters handled. Further details of these comparisons have been summarized in Table X.

The data summarized in Table IX showed that in only one college did a board make a decision regarding the budget which involved a choice between alternatives. In the other three colleges, the board adopted, after examination and discussion, the budget proposed by the administration. It has already been shown that the administration was constrained in making its recommendations regarding the budget by its perceptions of the total amount each board would accept as a reasonable budget. On the other hand, it has also been stressed that none of the boards established priorities for the college before the budget was prepared, but that the boards accepted budgets formulated on the basis of the priorities set at the technical level by the heads of the departments, and for the managerial level by the administration. As a result of the

Table X
A COMPARISON OF ACTIONS TAKEN BY
BOARDS ON FINANCE

Board Constitution	Totally Appointed by Government (Alberta)				Partially Appointed by Government (British Columbia)			
	A		B		C		D	
Institution	#	%	#	%	#	%	#	%
Actions on FINANCE as % of total	117	21.3	36	30.2	57	16.0	59	21.4
N =	548		119		357		276	
SOURCE as % of actions on FINANCE:-								
Committee	104	88.9	2	5.6	44	77.2	52	88.1
Member	1	0.9	17	47.2	2	3.5	3	5.1
Administration	--	--	11	30.6	7	12.3	3	5.1
External	12	10.3	6	16.7	4	7.0	1	1.7
LEVEL:-								
1	--	--	--	--	--	--	--	--
2	24	20.5	10	27.8	24	42.1	14	23.7
3	93	79.5	26	72.2	33	57.9	45	76.3
ACTIONS TAKEN:-								
Approved	82	70.1	27	75.0	35	61.4	48	81.4
App'd + Am'd	5	4.3	--	--	2	3.5	--	--
Rejected	1	0.9	2	5.6	--	--	1	1.7
Tabled, etc.	5	4.3	1	2.8	--	--	--	--
Request Info.	2	1.7	--	--	2	3.5	--	--
Rec'd Info.	22	18.8	6	16.7	18	31.6	10	16.9

failure of the boards to establish institutional level priorities for expenditure, the provincial Departments tended to make the institutional level decisions regarding the college budgets.

The influence of the boards on decisions within the colleges could be assessed firstly on the basis of the extent to which the boards amended decisions made by the administration and the faculty; and secondly by the extent to which the administration modified its decisions in order to conform to the perceived expectations of the boards.

In terms of the first criterion, the influence of college boards was not very great because they did not alter the decisions made by the administration regarding the budget allocation in three colleges, and in the fourth the board accepted the second (middle) alternative presented by the administration without amendment.

In terms of the second criterion, the evidence was less conclusive. At Institution A, the administration was influenced more by the guidelines given by the Department of Advanced Education than it was by the acceptability of its budget to the board. At Institution B, the board had some influence on the administration, because the administration gave the board the final decision on the three alternatives presented to it. At Institution D, the participating school boards, exerting influence through the trustee members of the college council, determined the overall amount of the budget by limiting the local levy, while at Institution C the influence of the council on the administration did not appear to be great in ultimate effect, although the Finance Committee carefully scrutinized its financial transactions.

Final Acceptance

It was shown in Table IX that for five out of the seven institutions, the budget allocation decisions of the Departments reduced the budget estimates approved by the institution; increased the allocation to one institution; and left the budget for the other unchanged. The amount and percentage of the changes have been shown in Table XI. These percentages suggested that overall the colleges with boards had not been any more successful in maintaining their original estimates in negotiations with the Departments than had the provincially administered institutions.

Table XI

A COMPARISON OF BUDGETARY CHANGES FOR
1974-75 BY PERCENTAGES

Institution	Budget Approved by Institution	Budget Approved by Department	Percentage Change
	\$ '000	\$ '000	%
A	3,950	3,950	0
B	2,390	2,302	-3.7
C	7,286	7,127	-2.2
D	4,400	4,077	-7.4
E	12,900	12,217	-5.3
F	1,850	1,805	-2.4
G	9,633	9,752	+1.2

Of greater significance was the degree to which the institutions were committed to those decisions once they had been made. As corporate bodies in Alberta, or as separate institutions under the aegis of the school boards as corporate bodies, the community colleges were forced to be responsible for any expenditure beyond that granted by the Minister, while at the same time they were prohibited by the Act from accepting any liability beyond the level of the budget. When the grant proved inadequate as it did in Institution B mid-way through the 1974-75 fiscal year, the college was forced to enter into new negotiations with the Department without any guarantee of additional grants being made.

On the other hand, the provincially administered institutions as part of a government department did not have the same constraints and, in the absence of adequate accounting procedures, were able to commit the Department to over-spending. As a result, the Department was forced to approve in November, 1974, additional spending by Institution E to the amount of 694,000 dollars, following which the institution requested a further 192,000 dollars. At Institution F, the principal estimated that the college would actually spend over two million dollars in the 1974-75 fiscal year. This meant that these two institutions in Alberta would finally spend about the amount that the heads of departments had originally estimated. In the view of those interviewed in the Department of Advanced Education in Alberta, the provincially administered institutions were less committed to the Department's budget decisions than were the college boards, because the Department was legally obligated to meet the expenditures incurred by the institutions.

IV. A COMPARISON OF PROGRAM APPROVAL PROCESSES AND OUTCOMES

In Chapters IV, V and VI, program approvals in each of the institutions were described in some detail for the 1973-74 fiscal year. In this section, the program approval process and its outcomes have been compared to identify similarities and differences between institutions and between different patterns of governance. Figures 2 and 3 have depicted the governance structures and relationships for budget allocation and program approval in Alberta and British Columbia respectively. In these diagrams, budget allocation, which was discussed in the previous section, and program approval have been shown separately.

Initiation of Action

In all the institutions studied, the development of new programs was mainly initiated by the faculty as a result of contacts with the industry or professions, or of their perceptions of the community's needs. Occasionally, a board member suggested a new program because of his interest in a particular area of training; or the administration identified needs from its contacts with the public.

Information-Gathering Network

Although in all the institutions the development of the curriculum for new programs was basically the responsibility of the faculty who would teach the program, in Institutions A, B, C, and E, there were departments or officers for curriculum development that had the task of market research for the program and of developing the

program proposal. At Institution A, the New Programs Review Committee of the Academic Council examined all new proposals before they were sent to the Management Committee of the board. At Institutions C and D, similar functions were performed by curriculum committees. At Institution B, the Director of Programs and the President performed this review function.

At the board level in the community colleges, new programs were usually formally examined by the board, although at Institution A the Management Committee examined programs to determine whether they fell within the mission of the college. At Institution C, a Curriculum Review Committee of the council was established in August, 1973, to review the college's programs in toto, while the council of Institution D had a Programs Planning Committee for that purpose.

After a program had been approved by the board, or the administration in the provincially administered institutions, it was sent to the Department for further examination. In Alberta, the Programs Review Committee within the Department examined new proposals in the light of its knowledge and perceptions of the needs of the province and of developments in other institutions. In British Columbia, a similar function was performed for most programs by the Provincial Consultative Committee which advised the Minister although in the case of programs relating to health needs, the British Columbia Medical Centre advised the government concerning programs which should be approved.

In this process, information for the development of new programs was gathered at the level of department heads for evaluation, and passed

through the administration, and committees of the board, to provincial committees where information on a provincial basis was collected.

Information inputs at each of these levels could affect the decision regarding the implementation of the program.

Political Constraints

In program development, the individual members of the faculty initially determined the priorities for program development by their individual decisions to participate in the development of new programs. Because new programs were mainly initiated by the faculty, the effective priorities were those adopted by the faculty. These priorities would be those perceived by the technical level of the institution.

As new programs were being developed by the faculty and the curriculum development officers, negotiations occurred between department heads because of the need to obtain financial, material and personnel resources to establish the new programs. To some extent the purpose of these negotiations was to prevent overlapping development of facilities and to optimize the use of resources. Another purpose was to define areas of responsibility for the different departments. In the larger institutions, these negotiations were conducted formally through committees, although there could be little doubt that informal negotiations occurred in all institutions.

In both Institution B and Institution C the Director of Programs and the Dean of Curriculum, respectively, explicitly mentioned continuing negotiations with officers in the respective provincial Departments and with professional organizations as the programs were being developed,

so that there was support for the programs at that level when they had been developed and presented to the Department for approval. At Institution C, very lengthy negotiations with the nursing associations and later the British Columbia Medical Centre had preceded the presentation of the Health Services program for formal approval. This meant that when this program was presented to the council for its approval, the arguments were strengthened by the information that this innovation was acceptable to both the approving authority for the province and the professional bodies concerned.

In developing the Animal Health Technology program, Institution F had to convince the Alberta Veterinary Medical Association that the program would produce technically qualified assistants who would not attempt to displace the veterinarians in the care of animals. Institution B, in developing the Teachers' Aide program, had to conduct similar negotiations with The Alberta Teachers' Association in order to allay any suspicions that the program could constitute a threat to the teaching profession. While other institutions did not refer explicitly to these negotiations, the existence of advisory committees suggested that they occurred.

In Alberta, all institutions had been required by the Department of Advanced Education to submit mission statements which had been prepared by the administration and approved by the boards in the case of the colleges. These were used by the administration to assess whether the programs proposed were acceptable. In British Columbia, no formal statement of this nature was required, although the colleges and the institute had statements of philosophy which served the same

purpose. Institution E was the only institution, however, to give any evidence of rejecting proposals for new programs within the institution, although this could have happened elsewhere also. The place of boards and their committees has been considered in a later section concerned with the actions of boards.

Priorities for the province were set by the Programs Review Committee in Alberta, and the Provincial Consultative Committee, the board of the Medical Centre, and the Department of Human Resources in British Columbia. Where there had been role inconsistency challenges in Alberta, the Programs Review Committee brought representatives of the institutions involved together to discuss the matter and to present their arguments to each other and to the Committee. Institution E also gave evidence of entering into direct negotiations with Institution A regarding a program to be offered jointly by the two institutions. Institution F and another institute of technology had jointly developed a program in Animal Health Technology which was approved by the Department for joint implementation.

In terms of setting priorities, the development of new programs was initiated by the faculty who tended to set their own priorities. Program proposals were negotiated and processed by the administration in terms of the priorities it had established. Final approval was given for the implementation of new programs according to the provincial priorities set by Departmental committees. On the other hand, there was no evidence that the college boards had determined priorities for program development in the colleges beyond the approval given to the mission statement or statement of philosophy prepared by the administration of the college.

The Location of Decisions

In all of the institutions studied, the form and content of new programs was decided by the faculty concerned, with the advice of advisory committees for that purpose. Once the program proposal had been prepared, it was examined by the various internal mechanisms described in the previous section. If these internal committees or the administration were not satisfied with the proposal or required further information, the proposal was referred back to the faculty and the curriculum development officers.

When the administration and faculty had been satisfied and had decided how the program could be implemented in the institution with an appropriate time scale and estimate of initial costs, the administration recommended that the proposal be approved by the board and its committees; or in institutions without boards, the proposal was submitted to the Department for its approval.

In all the institutions studied, the overall pattern of decision-making was the same, although institutions varied internally in the formal groups and mechanisms used for program approval. These differences have already been discussed in the previous sub-sections. In Alberta, program development went through two stages because of the policy of the Department in requiring a letter of intent and later a formal program proposal.

The recommendations regarding new program proposals reached the boards of colleges as pre-formed decisions to which the boards usually gave assent after they were convinced that the programs were needed and that they fell within the mission of the college. The actions

of the boards in approving new programs have been discussed in the following sub-section, where it has been shown that the boards did not usually exercise restraint over the administration's tendencies to expand the activities of a college.

The provincial committees were responsible for approving or disapproving new programs, and for allocating them between institutions in Alberta, according to the priorities they had set for the province. Because the boards either had failed to establish priorities for the development of programs or had failed to appreciate the provincial perspectives for program development, the provincial committee in Alberta had to veto a number of proposals submitted by colleges.

In general, because the boards had not established program priorities for the colleges, decisions tended to be made on the basis of priorities set at the technical level by the department heads and faculty, and at the managerial level by the administration. This meant that irrespective of whether boards existed or not, the institutional level decisions were made on a province-wide basis by the provincial program committees.

Actions Taken by Boards

It was shown in Table VII that the boards varied considerably in their involvement in program matters during the 1973-74 fiscal year. The board of Institution A handled 131 program items, the council of Institution C, 28 items, the council of Institution D 12, and the board of Institution B only five program items. An analysis of these actions has been given in Table XII.

Table XII

A COMPARISON OF ACTIONS TAKEN BY
BOARDS ON PROGRAMS

Board Constitution	Totally Appointed by Government (Alberta)				Partially Appointed by Government (British Columbia)			
	A		B		C		D	
Institution	#	%	#	%	#	%	#	%
Actions on PROGRAMS as % of Total	131	23.7	5	4.2	28	7.8	12	4.3
N =	548		119		357		276	
SOURCE as % of actions on PROGRAMS:-								
Committee	108	82.4	--	--	1	3.6	6	50.0
Member	4	3.1	--	--	8	28.6	2	16.7
Administration	4	3.1	4	80.0	16	57.1	3	25.0
External	15	11.4	1	20.0	3	10.7	1	8.3
LEVEL:-								
1	--	--	--	--	--	--	--	--
2	26	19.8	4	80.0	10	35.7	6	50.0
3	105	80.2	1	20.0	18	64.3	6	50.0
ACTIONS TAKEN:-								
Approved	66	50.4	3	60.0	8	28.6	6	50.0
App'd + Rec'd	11	8.4	--	--	7	25.0	1	8.3
Rejected	--	--	--	--	1	3.6	1	8.3
Tabled, etc.	13	9.9	--	--	2	7.2	--	--
Req't Info.	4	3.1	--	--	1	3.6	1	8.3
Rec'd Info.	37	28.2	2	40.0	9	32.1	3	25.0

It has been noted previously that the board of Institution A dealt with a large number of routine items such as the approval of individual offerings of short courses for continuing education, as well as approval of the offerings of the day program divisions. Included among the managerial level matters handled were seven program proposals which were approved by the Department of Advanced Education, and 11 letters of intent which were also submitted to the Department. During the same period, the board of Institution B approved four program proposals which were approved by the Department and three letters of intent. A comparison of these program submissions with those submitted by the provincially administered institutions has been given in Table XIII.

Table XIII

PROGRAM PROPOSALS AND LETTERS SUBMITTED IN ALBERTA
TO NOVEMBER, 1974

Institution	A	B	E	F
Programs Approved: by Department	7	4	2	2
Letters of Intent				
To proceed	2	--	3	--
To defer	6	2	1	--
Not to proceed	3	1	--	--

The data summarized in Table XIII suggested that the boards at Institution A and Institution B were not sufficiently critical of the programs proposed by the faculty and the administration. During the same period, Institution A submitted seven program proposals and 11 letters

of intent, Institution B four proposals and three letters, Institution E two proposals and four letters, and Institution F only two proposals. Thus, Institution A submitted twice as many programs for consideration as did any of the others, and three times as many as did Institution E. This suggested that the faculty and administration of Institution A were actively seeking avenues for expanding its activities. The fact that the Department either rejected or deferred half of the programs proposed suggested that the board of Institution A did not restrain or direct the urge for expansion but allowed it to proceed indiscriminantly. While there was evidence that the Management Committee considered each individual proposal carefully there was no evidence of priorities for program development being set by that committee or the board, or of a complete overview being taken of the college's development.

At Institution B, although the tendency to expand was not so marked, nearly half of the programs proposed by the college were either deferred or rejected by the Department of Advanced Education. In the interviews it was indicated that the board was advised of letters of intent being sent to the Department but that these were not discussed. This suggested that the board of Institution B gave formal approval and usually was not deeply involved in program development.

There was no evidence that would indicate that the boards of these colleges in Alberta were giving to program development any more direction than was given by the administration of the provincially administered institutions which were studied. This judgment has not been based upon the assumption that boards should reject proposals rather than risk having them rejected by the Department. On the other hand,

the high proportion of rejections by the Department and the lack of any rejections by the boards was an indication that the boards might not have acted to restrain the faculty's urge to expand its activities.

Similar data were not available in British Columbia where program approvals were less formalized than in Alberta. The history of the development of the Health Services Department at Institution C, however, indicated that the council of that institution gave very close scrutiny to the proposal's philosophy and organization, but somewhat less attention to the curriculum content. At Institution D during the period studied, the Program Planning Committee and the council did not play a very active role in educational matters. Because Institution G's only new program during this period, that in psychiatric nursing, was introduced at the request of the government, it has not been possible to compare the outcomes of program approval in the two types of institutions.

Final Acceptance

It was not possible to examine the final acceptance of the Departments' decisions on programs in the same way as it was possible to assess the final acceptance of budget allocation decisions. Superficially, it seemed that once the Department had refused to finance a particular program the institution was unable to introduce that program. On the other hand, if it had been possible to examine program development within a single institution in depth, it is conceivable that there would have been evidence of program proposals being modified and being resubmitted with a different title in order to gain acceptance.

In one interview in Alberta, it was suggested that the transfer of a program from one institution to another had not been accepted by the institution which developed the program proposal, and that pressure was being placed upon the Department by the president to reverse its decision, because the second institution had not yet implemented the program.

V. AN ASSESSMENT OF THE INFLUENCE OF BOARDS

Boards of governors may be expected to exert an internal influence upon the decision-making of the institution's administration and faculty, and an external influence on the Departments and the public. This study has been limited to assessing the internal influence of boards and their external influence on the Departments, in regard to budget allocation and program approval. These four aspects have been examined separately.

Internal Influence on Budget Allocation

An analysis of the data collected in this study indicated that within the institutions the pattern of budget preparation, if allowance was made for minor variations due to administrative style and organizational structure, was similar for all the institutions, irrespective of whether they were governed by boards. There were similar information-gathering networks and similar political constraints involving negotiations at the level of department heads and the administration. Decisions were initially located with the department heads and with

the administration. In the institutions with boards, decisions were largely "pre-formed" by the time they were presented to the boards.

In only one case did a board even choose between alternatives placed before it; and in no case did a board make more than minor alterations within the total amount estimated for the expenditure. Because the boards failed to establish policy priorities for the colleges before the budget was prepared, priorities were set at the technical level by the department heads in negotiation with each other, and at the managerial level by the administration.

The administration in the institutions without boards was subject to the same constraint of the reasonableness of the estimates and of their acceptability to the Department which made the final decision, as was the administration in institutions with boards. The administration in colleges with boards was subject to the further constraint of having to convince the board of the validity of the estimates.

If the influence of boards was assessed on the basis of the objective criterion of the changes made to the budget submitted to the board by the administration, then the data indicated that the influence of boards was very slight.

If the influence of boards could be assessed on the basis of the degree of scrutiny given to the budget estimates, then in British Columbia the influence of the councils, exercised through their committees, was considerably greater than in Alberta, where the boards were given very little time to examine the budget. In British Columbia, the influence of the councils was increased by the involvement of

participating school boards, which set the level of local taxation for the support of the colleges.

Overall, there was no evidence that the boards determined the absolute amount of the budget or its allocation to the departments of the colleges, except in a superficial way.

External Influence on Budget
Allocation

An analysis of the data collected in this study indicated that the institutions with boards were no more successful in having their budgets approved by the Departments than were the institutions without boards.

The data summarized in Table XI showed that, in Alberta, Institution A, whose budget conformed to the guidelines set by the Department, did not suffer any reduction in its budget, while Institution B, Institution E and Institution F had their budgets reduced by about four, five and two percent, respectively.

In British Columbia, Institution G's budget was increased by about one percent during negotiations with the Department, while Institutions C and D had their budgets reduced by two percent in one case and by seven percent in the other.

The average reduction for the colleges (Institutions A, B, C and D) was 3.3 percent while that for the provincially administered institutions (Institutions E, F and G) was 2.2 percent, which indicated that the colleges with boards had not been more successful than the institutions without boards in having their budgets approved.

Furthermore, the colleges had to re-negotiate the grants if

they were unable to keep within their budgets or to defer expenditure. The provincially administered institutions were able to commit the Departments to extra expenditures because the accounting systems could not effectively monitor their expenditures.

Nevertheless, the colleges with boards were perceived by Departmental officers as being easier for the province to control in terms of budgets and as having greater flexibility in the use of revenues and internal decision-making. From the institution's viewpoint, governance by boards was seen to offer the advantages of greater internal autonomy and greater flexibility in relating income to expenditures, because it was not necessary to follow public service regulations or to pay the institution's income into the provincial revenue funds.

Internal Influence on Program Approvals

The internal structures for the development of programs tended to be similar in all the institutions studied, irrespective of the form of governance. New programs were developed by the faculty and the curriculum development officers in each institution, usually upon the initiative of the faculty. New programs passed through similar processes of internal approval before being presented to the board as "pre-formed" decisions, or to the Department for approval.

In general, the boards did not initiate new programs; and had not set priorities for the establishment of new programs for the institutions. In the two Alberta colleges, the boards tended to give formal approval to the program proposals put forward by the administration, and there was no evidence of program proposals being rejected by

the board. In the two British Columbia colleges, where fewer programs were developed, the boards gave greater consideration to the impact of the proposed program on the college.

In this study, it has been difficult to establish objective criteria for assessing the internal influence of boards on program approval. The data collected through interviews indicated that the internal control of program development was no greater in institutions with boards than it was in the institutions without boards, and that in one provincially administered institution there appeared to be more internal restraint upon program development.

External Influence on Program Approval

The institutions with boards appeared from an analysis of the data collected to be no more successful in gaining Departmental approval for their program proposals than did the institutions without boards. In British Columbia, both types of institutions appeared to be equally successful in this regard; while in Alberta, the record of the colleges' program proposals suggested that they were less successful. This was interpreted to mean that the boards in Alberta had failed to establish priorities for the colleges which were provincially acceptable; and that the boards were insufficiently critical of the proposals developed according to the priorities of the technical and managerial levels of the institutions.

An Overall Assessment of Influence

In terms of positively identifiable outcomes, it has been impossible as a result of this study to demonstrate that boards exert a directional influence on the administration and faculty of the colleges, in regard to either budget allocation or program approvals.

The main influence of boards was as a further constraint upon the administration and the faculty, interposed between the administration and the Department. Nonetheless, boards performed a very valuable function of providing a legally and politically acceptable means of granting greater freedom to institutions in their internal operations and programming, and particularly in the application of college income to the expenditures of the college.

CHAPTER VIII

SUMMARIZATION, CONCLUSIONS AND RECOMMENDATIONS

I. AN OVERVIEW OF THE STUDY

This study has focussed upon non-university post-secondary institutions in Alberta and British Columbia. Its purpose was to describe the ways in which the decision-making processes and final outcomes of budget allocation and program approval in institutions with boards differed from those in institutions without boards; and to assess the influence of boards in these functions. These two functions were examined because they constituted objective and practical manifestations of the board's involvement in establishing the mission of the institution and in allocating resources to fulfil that mission.

The problem was examined in terms of a model of institutional decision-making derived from the political model of institutional governance used by Baldrige (1971a) and from the typology of analysis of decision-making used by Paltridge, Hurst and Morgan (1973). Parsons' (1958) analysis of the three levels of decision-making within organizations was the basis of the functions attributed to boards as the institutional level of the college as a social system. The model used in this study examined the decision-making process in terms of initiation of action, the information-gathering network, the political

constraints, the location of decisions, the actions taken by boards, and the final acceptance of decisions.

Using this conceptual framework, the study was designed to describe the decision-making patterns in institutions under three patterns of governance; to compare the outcomes of these processes; and to assess the influence of boards in these processes. The boards were examined in terms of their internal influence on the decision-making processes within the institutions, and of their external influence on the Departments which allocated grants to the institutions and approved new programs for the provincial systems.

Delimitations of the Study

This study was confined to an investigation of budget allocation and program approval within selected non-university post-secondary institutions in Alberta and British Columbia. It focussed upon the decision-making process and the final outcomes for these functions within the institutions and the provincial Departments. Other areas of decision-making were excluded from this study, except where they impinged upon budget allocation and program approval.

The study was limited to decisions taken between the beginning of the 1973-74 fiscal year and November, 1974, when the data for the study were collected. In the institutions which had boards of governors, the investigation was directed towards the decisions of the board and not the actions of individual board members.

Methodology of the Study

This study was based fundamentally upon a scrutiny of documents supplemented by interviews to clarify issues and to collect data which could not be obtained from the documents. Emphasis was placed upon records because it was considered that the written record would be more reliable as indicators of actions than the memories of individuals.

The documents employed in this study were provincial legislation and policy statements, budget documents prepared within the institutions, the institutions' mission statements and submissions for new programs, board minutes and agenda documents for the 1973-74 fiscal year, correspondence between the Departments and the institutions, and internal records of the Departments. Those interviewed were the presidents of the institutions and senior administrators nominated by them, the board chairmen or board members nominated by them, and senior Departmental officers responsible for budget allocation and program approval decisions.

On the basis of the data collected, the budget allocation and program approval processes and outcomes for each institution were described. This description was returned to the president of the institution for his comment. After the description had been corrected where necessary, it was incorporated in this study as a section of Chapters IV, V or VI.

The criteria used to assess the internal influence of boards on budget allocations were the extent to which the board modified the budget decisions of the administration and faculty; the extent to which

the administration made its decisions with a view to their probable acceptability to the board; and the extent to which the board scrutinized the budget recommendations of the administration. The criteria for external influence were the extent to which the Department modified the budget decisions of the boards in comparison with the budget submissions of institutions without boards; and the extent to which institutions with boards were committed to the Department's decisions in comparison with the commitment of institutions without boards to those decisions.

The criteria employed to assess the internal influence of boards on program approval were the extent to which the boards set priorities for program development; the extent to which the board rejected or modified the program decisions of the administration or the faculty; and the extent to which the administration made its program decisions with a view to their probable acceptability to the board. The criterion for external influence was the extent to which the Department over-ruled the program decisions of the board in comparison with the extent to which the programs proposed by institutions without boards were rejected or modified.

A further criterion for both budget allocation and program approval was the extent to which boards initiated policies and set priorities for the institution's development, rather than merely responding to individual proposals initiated by the faculty and administration.

Limitations of the Study

The conclusions drawn from this study are limited in their direct application to the institutions studied and to the period investigated.

In addition to the limitations inherent in the assumptions underlying this study, the study was limited by the availability of documentation in certain institutions. In one particular institution, it was difficult to obtain access to documents regarding the development of the budget within the institution because the board considered all such documents as confidential to the board. In some other institutions there was only limited access to correspondence and it was necessary to rely more heavily upon interviews than was planned originally. Because the major budget and program documents and the minutes were available in all cases, it was considered that the reliability of the conclusions was not significantly affected.

The decision to limit board interviews to the chairmen or members nominated by them may also be seen as a limitation. This was a deliberate aspect of the design of the study which sought to avoid personal perceptions of roles and to focus upon officially accepted positions for the board as a whole. This approach was consistent with using documents as the fundamental data source.

II. CONCLUSIONS FROM THE STUDY

This study has examined the decision-making processes and the final outcomes in regard to budget allocation and program approvals within three different patterns of governance for non-university

post-secondary institutions. From the study, conclusions have been drawn regarding the political constraints and the location of decisions within the institutions; the influence of boards on the decision-making processes and their outcomes; the effects of the composition of the boards; and the advantages and disadvantages of the board form of governance from the institution's perspective and from the provincial viewpoint.

Political Constraints and the
Location of Decisions

In all the institutions studied, the initiatives in the preparation of the budget originated with the faculty since the department heads prepared the estimates for each department in consultation with the faculty of that department according to the priorities perceived by the faculty. Each department decided the resources needed for its functions and prioritized those needs in terms of the items which would be deleted should budget cuts become necessary.

The administration consolidated the budget estimates of each department into a total budget for the institution. In the process of consolidation, negotiations occurred among the department heads and between the department heads and the administration, during which overlapping expenditures were eliminated and priorities were set for deleting any items if this became necessary. The budget estimates were prepared for all institutions in a political process in which the department heads and the administration negotiated trade-offs and established priorities for the institution's expenditures.

In those institutions which had boards, the board was presented with "pre-formed" decisions regarding the budget. In only one college was the board offered alternative budgets, in which the administration analyzed the impact on the college of each alternative. In this case, as might have been expected, the board chose the middle alternative. Even though the councils in British Columbia closely scrutinized the budgets presented to them, it was only possible for them to effect minor changes within the budget because they were dependent upon the information supplied by the faculty and the administration.

In every case, the boards failed to set institutional priorities for the budget before the budget was prepared. Consequently, the boards were virtually forced to accept the priorities established at the technical level of the faculty and the managerial level of the administration.

In Alberta, the Department of Advanced Education in negotiations with the Treasury Department and later the Priorities Committee of Cabinet determined the grants for the individual institutions, according to the provincial priorities which it had set.

In British Columbia, the total budget of each college was determined in part by the attitude of the participating school boards, which had to raise part of the college income by local taxes. The final decision on the budget rested, however, with the Minister of Education who could over-rule the decision of the school boards. The Department of Education in its negotiations with the Treasury Department determined the total amount available to the colleges and allocated the grants between the colleges and other institutions.

From the data collected in this study, it was concluded that in all the institutions studied, internal budget decisions were largely made at the faculty and administration levels, irrespective of whether the institution was governed by a board; and that the final outcomes of budget allocation at the provincial level were not materially affected by the existence of boards.

A similar conclusion was reached in regard to the process of program approval. The initiative for the development of new programs came mainly from the faculty and the administration which prepared proposals for new programs in consultation with the Departments and with professional and commercial representatives, and presented them to the boards for formal approval when they had been completed.

In both provinces, the Department made the final decision as to whether a new program would be introduced, and as to where it would be located. One college in Alberta had a particularly poor record in terms of the number of proposals for new programs which had been approved by the college board, but which were then rejected or deferred by the Department of Advanced Education. On the other hand, in the colleges studied in British Columbia fewer new programs were proposed and these were subjected to much closer scrutiny by the college councils or their committees. The provincially administered institutions in Alberta seemed to be more successful in gaining the Department's approval for new programs than did the Albertan colleges studied.

From the data collected, it was concluded that decisions regarding new programs in all the institutions studied were largely made at the faculty and administration levels, irrespective of whether

the institution was governed by a board; that in the British Columbia colleges studied the new program proposals were lesser in number and more carefully scrutinized by the council; and that in Alberta, the colleges studied prepared a large number of new program proposals but these were less carefully scrutinized by the college boards. In both provinces, the boards failed to set priorities for program development for their colleges and responded to proposed new programs on an individual basis, as they were developed by the faculty and administration.

The Influence of Boards

The analysis of actions taken by the boards indicated that the four boards studied varied considerably in both the volume and the nature of the business they handled during the 1973-74 fiscal year. The number of items of business handled varied from about 120 in one college to nearly 550 in another.

None of the boards gave a great deal of attention to legislative policy matters; while at least two-thirds of the items of business, and in one case over four-fifths, were at the working policy level of routine implementary decisions. The attention given to finance matters varied from 16 to 30 percent of the total items considered by the boards; while the proportion devoted to programs and educational policies varied from four to 24 percent. The data collected in three of the colleges showed similar trends to those in the Paltridge, Hurst and Morgan (1973) study, in that the boards tended to emphasize financial matters rather than educational matters. In those colleges where the

boards handled a large number of program items, the greater emphasis was upon working policy matters rather than upon establishing educational policies for the college.

Another finding which was similar to that of Paltridge, Hurst and Morgan (1973) was the action taken by the boards on the matters placed before them. The items approved by the boards, approved after amendment by the boards, and received for information, together accounted for between 87 and 95 percent of the board's business, while the items rejected constituted less than three percent of a board's business. Virtually no items presented by the administration were rejected by a board. While this may be interpreted to mean that the administration had correctly interpreted the mind of the board and had prepared recommendations which would be acceptable to the board; or that the administration had so presented the items that it would be impossible for any reasonable board to reject its recommendations; this interpretation did not account for all the data collected. In Alberta, the boards, particularly in one college, have a poor record in terms of the acceptance of their decisions by the Department of Advanced Education. While further research would be necessary for a firm conclusion to be reached, the evidence suggested that the boards were insufficiently critical of the recommendations placed before them by the administration and the faculty.

In the previous sub-section of this chapter it was indicated that there was no evidence that the boards in 1973-74 established priorities for either budget allocation or program development; and that the boards had merely responded to the initiatives of the faculty

and the administration. In this regard, the boards had not greatly influenced the decision-making processes in the colleges. In the colleges studied in British Columbia, the Finance Committees had, however, carefully scrutinized the budget proposals of the administration and sought thus to influence the budget process and its outcomes.

In the colleges studied in Alberta, the boards had been able to devote only one meeting to examining the budget. In one case, it was approved unchanged, while in the other, one of three alternatives was selected.

In regard to program approval, the findings were similar. In Alberta, the boards approved more new programs than did the councils in British Columbia, but in British Columbia the proposals appeared to receive closer scrutiny, although in neither province did the boards reject any program proposals placed before them. The boards did not offer positive direction but exerted some influence by way of negative feedback when programs were first considered.

In terms of external influence, there was no evidence that institutions with boards had any greater influence on the Department's decisions regarding budget allocation and program approvals than did institutions without boards. If anything, the data collected in Alberta, suggested that institutions with boards had less influence on the Department than did institutions without boards.

From the data collected, it was concluded that the councils studied in British Columbia attempted to exert internal influence by carefully scrutinizing both budget estimates and program proposals; that the internal influence of the boards in all colleges consisted mainly of negative feedback on decisions made by the administration and

the faculty rather than of positive directions given to the administration and the faculty; that in terms of changes made in the budgets, the internal influence of boards was very slight; and that the external influence of the boards on the Department was minimal, since in both budget allocation and program approval institutions without boards were at least as successful as those with boards.

The Composition of Boards

There were three major differences between the college councils in British Columbia and the college boards in Alberta. In the college councils studied in British Columbia, the majority of board members were school trustees appointed by the participating school boards. In one college in particular, this gave to the council a strong school board orientation so that the council viewed itself as a committee of the boards meeting in closed session, handled personnel matters by individual motions as did school boards, and limited the expenditures of the college to the agreed rate of three mills for local levies. While this effect was much less pronounced at the other college, there appeared to be a tendency for some members to see themselves as representing school districts rather than governing a college. In Alberta, all the appointed members were appointed directly to the board for the purpose of governing the college.

Secondly, both the councils in British Columbia were somewhat larger than the boards in the colleges in Alberta, and had larger numbers from which to establish standing committees, which were a feature of both these councils. Nevertheless, the board of one college

in Alberta with only seven members used standing committees most extensively of all the colleges; while the board at the other college had no standing committees.

Finally, the boards in Alberta differed from the councils in British Columbia in that the latter consisted entirely of appointed lay people while the former included the college president, a faculty representative and a student representative. The data did not show any differences in the patterns of decision-making which could be attributed to these differences in board composition. In one board meeting in Alberta it was observed, however, that a dominant president was able to speedily move motions which the board approved with little debate. In this way, the board appeared to be the instrument of the president. On the other hand in British Columbia, at one board meeting, it was observed that with strong council members, the principal had difficulty in participating in the debate to explain the administration's position on matters it had introduced. The principal could draft motions for submission to the council and could explain their purpose, but the final decision was entirely in the hands of the council. In the Alberta boards the presence of faculty and student members meant that the viewpoint of these groups could be heard directly in the board's debates and the board's views could be communicated fully and directly to the faculty and the students.

From the basic data of this study, it was not possible to discover any patterns of decision-making which could be attributed to the composition of the boards, except for the strong school board orientation of one council. In the board meetings attended, however,

differences were observed which suggested the need for further investigation, before firm conclusions could be drawn.

Summary of Conclusions

As a result of this study, the following conclusions have been reached regarding the decision-making processes and final outcomes of budget allocation and program approval in certain non-university post-secondary institutions in Alberta and British Columbia, and the influence of boards of governors in these functions:

1. That under the three patterns of governance studied, the internal patterns of decision-making were similar, being characterized by the administration initiating action on budgets and the faculty mainly initiating action on new programs, the faculty and the administration controlling the information-gathering network and presenting "pre-formed" decisions on the basis of priorities established by the faculty and the administration through negotiations within the institutions;
2. That the boards had not exercised any great influence except by way of negative feedback on decisions made internally in the colleges, because they had failed during the 1973-74 fiscal year to establish priorities for resource allocation or for program development; and
3. That the institutions with boards had been no more successful than the institutions without boards in gaining approval for their budgets or for new programs.

III. RECOMMENDATIONS

In addition to the above conclusions from the study, certain insights concerning the governance of non-university post-secondary institutions have been gained and further avenues of research have been identified. These have been expressed as recommendations based in part upon the research findings but conditioned by the views of the researcher. The recommendations, which arose from perceptions of the advantages and disadvantages of governance through boards, concerned the establishment, composition and induction of boards. While these recommendations are related, they may be considered independently because the remaining recommendations apply to existing boards, irrespective of whether the first is implemented.

Advantages and Disadvantages of Boards

The advantages and disadvantages of governance through boards may be considered from two perspectives: that of the institution and that of the province.

From the institution's viewpoint, this study has not demonstrated any major differences in budget allocation or program approvals which would indicate that the college boards in Alberta or the college councils in British Columbia were more successful in obtaining resources for the colleges or having programs approved than was the administration of the provincially administered institutions. In all of the institutions studied, decisions were largely "pre-formed" by the faculty and the administration and the final decision on budget allocation

and program approval made at the provincial levels. The boards became an additional channel and filter through which decisions were passed for final decision at the provincial level. This should not be interpreted to mean that boards did not make changes because that would not be true, but the major decision-making did not occur at that level for budgets and programs.

There were indications that in other areas of decision-making, such as the internal structures of the college or the salaries and conditions of faculty and staff, the board could make final decisions without interference from the province, and that this could enable the institution to be more flexible in its response to community needs and changing circumstances, and to compete more effectively for staff.

There appeared to be distinct advantages for the institution in being governed by a board. Firstly, because the college was a corporate body it was not subject to the requirements of the Treasury Department and to public service procedures. This gave to the colleges greater flexibility in the use of resources because all their income remained under their control and could be matched to expenditures more readily. It was not necessary for them to curtail revenue producing activities merely because they created additional expenditure from the budget.

Secondly, decisions on the operations of the college could be made quickly within the college without reference elsewhere and were not directly subject to public service procedures or government policy. This provided the colleges with an opportunity for much greater flexibility and freedom in their policy-making and operations.

Thirdly, faculty and student membership on the board decreased the filtering which occurs in hierarchical structures and formal channels of communication, while at the same time allowing the representatives of these groups to understand better the reasons underlying the decisions which have to be made. Lay board members would better appreciate the position and perspective of faculty and students, and could reach decisions which took account of that viewpoint, even if it was not accepted. For these reasons, it may be argued that the inclusion of staff, faculty and student members on a board is an advantage. The desire of some students and faculty to participate in college governance as a political process would also be satisfied.

The question of whether the president should be a member of the board is less clearcut. If other constituencies of the college community are to be represented upon the board, it seems incongruous that the administration should be denied such representation in the person of the president. If it is argued that the president as the servant should not be a member of the board, then the faculty and staff, who are likewise servants of the board, should not be represented. It seems illogical to apply the board of trustee mode to considerations of whether the president should be a board member and at the same time to use the board of governors mode to support the inclusion of faculty and staff members. It may be argued that the president is able as a member of the board to exert too great an influence on the board's decisions. The solution to this problem need not be to deny the president membership on the board, but to ensure that the appointed board members have the necessary background and character to balance the power of the president.

There appeared to be some disadvantages in having direct school board representation on college councils in British Columbia and in having the colleges vested in the school boards. The Task Force Report (1974) has pointed to the problems of busy trustees being required to carry the extra load of college council membership. A further concern is that school trustees are elected to govern the school system which must be their major concern and orientation if they are to gain re-election. This appeared to direct attention away from the development of the college to the parochial interests of school districts. Furthermore, there was no way of ensuring that the school trustee members had either the necessary interest or expertise for governing a post-secondary institution. The Task Force's recommendation (1974:17) of a totally appointed board including those nominated by a regional nomination committee and staff, faculty and student representatives, would provide for local participation while encouraging the involvement of additional interested people within the community, beyond those already active in the school boards.

A more general disadvantage in governance by boards was the tendency for boards to interpret their role to entail detailed supervision and audit of the activities of the administration and of the faculty. In so doing, they tended to move into a board of trustees mode of operation, in which they neglected the establishment of policy at the legislative level and concentrated upon the working level. While it is unrealistic to expect part-time board members to give detailed consideration to the establishment of policies, it is not unrealistic to expect boards to ask that the administration prepare

alternative recommendations based upon an analysis of policy implications so that the board may reach well-founded decisions on the priorities for mission of the institution; and to require the administration and the faculty to consider these priorities in making recommendations for budget allocation and the development of new programs. If boards were to do this, they would be operating in the board of governors mode by directing the development of the institution, and not merely responding to the initiatives of the faculty and the administration.

From the provincial viewpoint, there were also advantages in establishing boards of governors for all institutions. Firstly, the board of governors, if it operated in the mode suggested above, would be an additional constraint upon the administration of an institution by causing the administration to examine its recommendations more carefully and to propose alternative solutions to problems for a board's consideration. This would tend to improve the quality of decision-making.

Secondly, as corporate bodies, the institutions with boards were responsible for their own financial affairs, subject to the overriding authority of the Minister or Lieutenant-Governor in Council. It was possible for the provincial government to make grants to the colleges and to insist that the colleges restrict their expenditures to their total financial resources from grants, other revenue, surpluses held from previous years, and short-term borrowings. The provincially administered institutions could not be restricted in this way because the cumbersome government accounting system was unable to monitor

their expenditures effectively.

On the other hand, the institutions with boards have complete control over salaries and conditions of employment for their faculty and staff. This could produce competition between the institutions which could unnecessarily escalate the costs of post-secondary education, which would be seen as a disadvantage from the provincial viewpoint. From the viewpoint of the individual, small and isolated institution, the power to negotiate salaries and conditions locally would enable the small isolated institutions to compete more effectively with the more favorably located institutions for staff and faculty.

Despite the fact that this study has shown that at present the institutions with boards do not have any advantages over institutions without boards, in terms of the outcomes of either budget allocation and program approval, there still remain other advantages from both the institution's and province's perspective in governing non-university post-secondary institutions by means of boards of governors. These advantages appear to outweigh the disadvantages, since in practice the possibility of close Departmental supervision of the provincially administered institution, which was used to support that form of governance, has not been realized because of the defects of the large government accounting system.

Establishment of Boards

In the previous section the advantages and disadvantages of governance by boards suggested by this study have been considered. It would appear that the balance from both the provincial and the

institutional perspective points towards making the institutes of technology and the agricultural and vocational colleges in Alberta, and the community colleges in British Columbia, corporate bodies with independent existence. Because the only politically and legally feasible way of accomplishing this is to establish boards of governors, it is recommended:

1. That the community colleges of British Columbia, and the institutes of technology and the agricultural and vocational colleges of Alberta be established as corporate bodies in their own right, with boards of governors.

Composition of Boards

While the establishment of the community colleges as corporate bodies would remove any legal justification for either financial support from school boards or school board representation on the college boards of governors, it is nevertheless desirable that the boards be representative of the community served by the institution. In the case of the institutes of technology, this implies the industrial and commercial communities served as well as the community at large.

Reasons have already been advanced to support the inclusion of staff, faculty and student representation on the board. The reasons for including the president as a member are far less conclusive, and further research is needed to determine the effects of including or excluding the president in the membership of the board. It has been argued here, however, that in the absence of clear findings based upon research there are no valid reasons for including faculty and student

members and at the same time excluding the president from full membership of the board, provided a strong board is appointed.

A further issue is the manner of appointment of the board members. If the staff, faculty and student representatives are to be acceptable to their constituencies, it is necessary for these to be selected by their respective associations. The community members also need to be seen as representative of the community served and not as members of the party in government, especially in rural communities. Nevertheless, there are difficulties in conducting elections for boards of governors. A popular vote is unlikely to be based upon the needs of the institution and is unlikely to provide the type of expertise desired for the board. A local nominations committee is also likely to produce biased nominations. Above all, membership on a college board should not be a reward for faithful service to a political party, or a training ground for future political activity. One alternative is to charge the Department with the responsibility of conferring with the college administration and with representatives of the community served in order to prepare a list of nominations exceeding the required number together with reasons supporting each person's appointment. Although the final decision would still rest with the Minister, who could also add other names, this would place some restraint upon the Minister and would cause him to consider more carefully the appointments to be made.

It is recommended:

2. That the board of governors consist of a majority of members appointed by the Minister after recommendation by the Department, and representing the community served by the institution, together with the president and representatives of the faculty, staff and students of the institution.

The period of appointment is also important. Each term of office for appointed members, and where possible the elected members, should be three years, to enable the members to become well acquainted with the mission and the problems of governance in the particular institution. An initial term of three years has been suggested here because this would give sufficient time for a board member to demonstrate his abilities as a board member and for the Minister to determine whether he should be appointed for a second term. Furthermore, many capable people would be prepared to accept an initial three year term but may be unwilling to commit themselves to a longer term. Because Gray's (1974) research evidence indicated that the term of one year was too short, it has been argued here that a three-year term is the minimum, although longer terms could be considered. To prevent the membership of the board from becoming static, re-appointment to the board should be limited to a second term of office.

It is recommended:

3. That each term of appointment be a minimum of three years, but that re-appointment be limited to a second term of office.

Induction of Board Members

The data collected in this study suggested that board members did not always understand their functions as a board. When board members are appointed, it is desirable that they should be inducted into office with a clear statement from the Minister as to the functions of the board in the governance of the institution. This should stress the legal obligations of the board and its relationship to the government, the role of the board in maintaining and developing the mission of the institution and in setting priorities for budget allocation and for developing new programs for the institution. The Department should also sponsor conferences for board members to provide them with the opportunity to develop their understanding of the functions of the boards in the governance of the institutions. It is recommended:

4. That the Minister should, when appointing new board members, provide them with a clear statement or handbook setting out the legal obligations of the board, its relationship to the government, its role in maintaining and developing the mission of the institution, and in setting priorities for accomplishing that mission.
5. That the Department should sponsor conferences for board members which would develop their understanding of the governance of the institutions.

Further Research

Despite the limitations in obtaining data from certain institutions, the approach used in this study has provided a useful means of

examining budget allocation and program approvals in non-university post-secondary institutions in Alberta and British Columbia. There is a need, however, for further investigations covering the remaining institutions in Alberta and British Columbia, in order to give a more complete statement of the matters investigated in the provinces and to draw conclusions regarding the total system, as well as the individual institutions.

Although this study has been confined to an investigation of the decision-making processes and final outcomes of budget allocation and program approvals, other areas of institutional governance in these and similar institutions also need to be studied. It is considered that such research would be a valuable extension of this study and would provide a more complete assessment of the influence of boards of governors in the governance of these institutions. Fundamentally, a similar approach could be used for this purpose.

It has been indicated that, although the data of this study suggested that the boards were insufficiently critical of the recommendations placed before them by the administration and the faculty, no firm conclusions could be drawn without further investigations. One approach for such a study would be by means of a participant observer who recorded the behavior of members during board meetings in questioning and modifying the proposals the board received over an extended period of time.

This study has not provided any evidence regarding the inclusion of the president and faculty, staff and student representation among the members of the board. While there are theoretical insights which

may guide decisions in this matter, further research would assist in clarifying this situation in the governance of non-university post-secondary institutions.

The British Columbia Institute of Technology offered an interesting example of an institution in transition from provincial administration to governance under a board of governors, which was appointed in July 1974. It is considered that in the near future a study of the changes which may have resulted should be undertaken in order to determine the effects of establishing a board of governors.

The purpose of this study was to provide a preliminary description of the ways in which institutions with boards differed from institutions without boards, in regard to budget allocation and program approvals; and on this basis to assess the influence of boards. In accomplishing this purpose, this study has established additional knowledge upon which further investigations into the governance of non-university post-secondary institutions may be based.

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APPENDIX 1

LIST OF THE PERSONS INTERVIEWED

APPENDIX 1

LIST OF THE PERSONS INTERVIEWED

Batty, J.F. Director of Finance Planning Services, Department of
Advanced Education, Alberta.

Beinder, F. Chairman of College Council, British Columbia.

Bosetti, R.A. Assistant Deputy Minister, Program Services, Department
of Advanced Education, Alberta.

Brown, E.W.H. Director, Business Management Division, British Columbia.

Carter, G.W. President, Alberta.

Ceresney, F. Chairman of College Council, British Columbia.

Collin, W.J. Principal, Alberta.

Day, T.C. Dean of Academic Affairs, Alberta.

Day, W. Dean of Curriculum, British Columbia.

Fraser, B.E.C. Principal, British Columbia.

Forbes, W.G. President, Alberta.

Haar, J.L. President, Alberta.

Kelly, G.O. Director of Programs, Alberta.

Langan, J. Board Member, British Columbia.

Leong, R.H. Dean of Administrative Affairs, Alberta.

Marriott, K. Board Member, Alberta.

McAdam, J.C. Executive Director of Administration, British Columbia.

McPherson, D.M. Bursar, British Columbia.

Morfe, W. Bursar, British Columbia.

Newberry, J.F. Assistant Superintendent of Post-Secondary Programmes,
Department of Education, British Columbia.

- Puffer, K. Vice-President (Academic), Alberta.
- Reibin, A. Bursar, British Columbia.
- Rozenhart, R.N. Budget Supervisor, Department of Advanced Education,
Alberta.
- Stack, E.D. Chairman, College Board, Alberta.
- Starritt, J.O. Vice-President (Administration), Alberta.
- Swanson, R.A. Director of Finance, Alberta.
- Thom, G.A. Principal, British Columbia.
- Wootton, G.W. Principal, British Columbia.

APPENDIX 2

COMPARISON OF ASSESSMENTS OF
DECISION-MAKING LEVELS

APPENDIX 2

COMPARISON OF ASSESSMENTS OF DECISION-MAKING LEVELS

Author	First Researcher	Second Researcher	Disagreement
3	3	3	
3	3	3	
3	3	3	
3	3	3	
3	3	3	
3	3	3	
2	3	3	Both
2	2	2	
3	3	3	
3	3	3	
3	3	3	
3	3	3	
3	3	3	
2	2	2	
3	3	3	
2	2	2	
2	2	2	
2	3	2	One
3	3	3	
2	2	2	
2	2	2	
3	3	3	
3	3	3	
3	3	3	
1	1	1	
2	2	2	
3	3	3	
3	3	3	
3	3	3	
2	2	2	
3	3	3	
3	3	3	
2	3	3	Both
3	3	3	
3	3	3	
3	3	3	

The product-moment correlation between the levels assigned in the study and those assigned by the independent researchers were 0.85 and 0.90 respectively.